

Your Ref: WHITLOCK MILLS-TBA/NBU # 141000794

Order No: 2010-80487

COMMITMENT FOR TITLE INSURANCE

Issued by

CHICAGO TITLE INSURANCE COMPANY

CHICAGO TITLE INSURANCE COMPANY, a Nebraska corporation ("Company"), for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.

This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

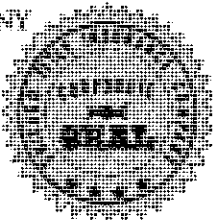
All liability and obligation under this Commitment shall cease and terminate 6 months after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The Company will provide a sample of the policy form upon request.

IN WITNESS WHEREOF, CHICAGO TITLE INSURANCE COMPANY has caused its corporate name and seal to be affixed by its duly authorized officers on the date shown in Schedule A.

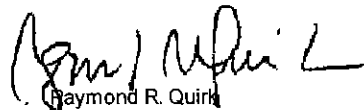
Issued by:

CHICAGO TITLE INSURANCE COMPANY
2 UNIVERSITY PLZ STE 206
HACKENSACK NJ 07601
Tel (201)489-5000 Fax (201)489-5336




CHICAGO TITLE INSURANCE COMPANY

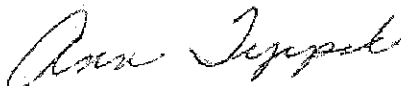
By:


Raymond R. Quirk
President

By:


Michael J. Gravelle
Secretary

Countersigned



Authorized Signatory

Issued By:

CHICAGO TITLE INSURANCE COMPANY

2 UNIVERSITY PLZ STE 206, HACKENSACK NJ 07601 PHONE: (201)489-5000 FAX: (201)489-5336

Schedule A

Your Reference: WHITLOCK MILLS-TBA/ NBU # 141000794

This Commitment expires six (6) months after the Commitment Date.

Title No: 2010-80487

Title Officer: M. ANN TYRPAK EXT. 420

Escrow Officer:

Escrow No.:

Loan No.: N/A

File No.:

Address Reference: 160 LAFAYETTE STREET, JERSEY CITY, NEW JERSEY 07306

1. **Effective Date:** October 31, 2010

2. **Policy or Policies to be issued:**

a. **Owner's Policy:**

Proposed Insured:

b. **Owner's Policy:**

Proposed Insured:

c. **Loan Policy:** ALTA Loan Policy (6/ 17/ 06) \$ 11,691,707.00

Proposed Insured:

TO BE ADVISED

Borrower:

d. **Loan Policy:** ALTA Loan Policy (6/ 17/ 06) \$ 5,700,000.00

Proposed Insured:

Borrower:

3. **The estate or interest in the land described or referred to in this Commitment is:**

FEE SIMPLE

4. **Title to the FEE SIMPLE** estate or interest in the land is at the Effective Date vested in:
WHITLOCK MILLS, L.P., A MARYLAND LIMITED PARTNERSHIP, UNDER DEED FROM ROBERT
PIMIENTA, CHAPTER 11 TRUSTEE FOR THE BANKRUPTCY ESTATE OF LAFAYETTE MANNING, INC., A
NEW JERSEY CORP., DATED FEBRUARY 2, 2004, RECORDED MARCH 4, 2004, IN THE HUDSON
COUNTY REGISTERS OFFICE IN DEED BOOK 7233 PAGE 337.

5. **The land referred to in this policy is described as follows:**

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

This Commitment is valid only if Schedule B is attached.

Page A - 1

Issued By:

CHICAGO TITLE INSURANCE COMPANY

2 UNIVERSITY PLZ STE 206, HACKENSACK NJ 07601

PHONE: (201)489-5000

FAX: (201)489-5336

SCHEDULE A
(continued)

Your Reference: WHITLOCK MILLS-TBA/NBU # 141000794

Title No: 2010-80487

LEGAL DESCRIPTION
EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF HUDSON, STATE OF NEW JERSEY, AND IS DESCRIBED AS FOLLOWS:

ALL THAT CERTAIN TRACT, PARCEL AND LOT OF LAND LYING AND BEING SITUATE IN THE CITY OF JERSEY CITY, COUNTY OF HUDSON, STATE OF NEW JERSEY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FORMED BY THE INTERSECTION OF FORMER CENTERLINE OF MANNING AVENUE, WITH THE NORTHEASTERLY OF LAFAYETTE STREET; THENCE;

1. SOUTH 31°09'00" EAST ALONG THE NORTHWESTERLY LINE OF LAFAYETTE STREET, A DISTANCE OF 30.04 FEET TO A POINT; THENCE;
2. SOUTH 61°51'00" WEST A DISTANCE OF 30.04 FEET, TO A POINT IN THE FORMER CENTERLINE OF LAFAYETTE STREET (VACATED); THENCE;
3. SOUTH 31°09'00" EAST, ALONG THE FORMER CENTERLINE OF LAFAYETTE STREET A DISTANCE OF 100.14 FEET, TO A POINT; THENCE;
4. SOUTH 61°51'00" WEST, A DISTANCE OF 30.04 FEET, TO A POINT IN THE FORMER SOUTHWESTERLY LINE OF LAFAYETTE STREET; THENCE;
5. NORTH 31°09'00" WEST, ALONG THE FORMER SOUTHWESTERLY LINE OF LAFAYETTE STREET A DISTANCE OF 120.16 FEET, TO A POINT; THENCE;
6. SOUTH 61°51'00" WEST, A DISTANCE OF 164.85 FEET, ALONG THE FORMER SOUTHEASTERLY LINE OF MANNING AVENUE; THENCE;
7. NORTH 30°53'45" WEST A DISTANCE OF 10.02 FEET, TO A POINT IN THE FORMER CENTERLINE OF MANNING AVENUE; THENCE;
8. NORTH 61°51'00" EAST ALONG THE FORMER CENTERLINE OF MANNING AVENUE, A DISTANCE OF 13.30 FEET, TO A POINT; THENCE;
9. NORTH 30°53'45" WEST A DISTANCE OF 196.84 FEET, TO A POINT OF CURVE; THENCE;
10. IN A GENERAL NORTHERLY DIRECTION, CURVING TO THE RIGHT ON A RADIUS OF 409.05 FEET, AN ARC DISTANCE OF 66.27 FEET TO A POINT OF COMPOUND CURVE; THENCE
11. IN A GENERAL NORTHERLY DIRECTION, CURVING TO THE RIGHT ON A RADIUS OF 168.42 FEET, AN ARC DISTANCE OF 109.80 FEET TO A POINT; THENCE
12. NORTH 62°57'40" WEST, 73.25 FEET TO A POINT; THENCE
13. SOUTH 58°04'00" WEST, 32.05 FEET TO A POINT; THENCE

Issued By:

CHICAGO TITLE INSURANCE COMPANY

2 UNIVERSITY PLZ STE 206, HACKENSACK NJ 07601

PHONE: (201)489-5000

FAX: (201)489-5336

SCHEDULE A
(continued)

Your Reference: WHITLOCK MILLS-TBA/NBU # 141000794

Title No: 2010-80487

14. NORTH 31°09'00" WEST, 125.03 FEET TO A POINT IN THE SOUTHEASTERLY LINE OF M.S. CONRAIL C.R.R. CO. OF N.J., LAFAYETTE BRANCH MAIN STEM; THENCE

15. NORTH 59°02'00" EAST, ALONG SAME, 16.73 FEET TO A POINT; THENCE

16. NORTH 63°02'00" EAST, ALONG SAME, 83.20 FEET TO A POINT; THENCE

17. NORTH 67°17'16" EAST, ALONG SAME, 98.47 FEET TO A POINT; THENCE

18. NORTH 70°02'00" EAST, ALONG SAME, 58.31 FEET TO A POINT; THENCE

19. NORTH 75°02'00" EAST, ALONG SAME, 28.69 FEET TO A POINT; THENCE

20. NORTH 76°02'00" EAST, ALONG SAME, 48.85 FEET TO A POINT; THENCE

21. NORTH 80°17'00" EAST, ALONG SAME, 48.52 FEET TO A POINT; THENCE

22. NORTH 82°47'00" EAST, ALONG SAME, 37.15 FEET TO A POINT; THENCE

23. SOUTH 86°43'00" EAST, ALONG THE SOUTHWESTERLY LINE OF M.S. CONRAIL C.R.R. CO. OF N.J., LAFAYETTE BRANCH MAIN STEM, 86.44 FEET TO A POINT; THENCE

24. SOUTH 80°58'00" EAST, ALONG SAME, 67.59 FEET TO A POINT; THENCE

25. SOUTH 75°43'00" EAST, ALONG SAME, 57.63 FEET TO A POINT; THENCE

26. SOUTH 70°08'00" EAST, ALONG SAME, 249.80 FEET TO A POINT; THENCE

27. SOUTH 14°29'00" WEST, 75.67 FEET TO A POINT; THENCE

28. SOUTH 28°09'00" EAST, 111.44 FEET TO A POINT IN THE TERMINUS OF MAPLE STREET; THENCE

29. SOUTH 61°51'00" WEST, ALONG THE TERMINUS OF MAPLE STREET (60 FEET WIDE) AND ALONG THE FORMER CENTERLINE OF MANNING AVENUE, NOW BEING THE NORTHWESTERLY LINE OF THE (FORMERLY VACATED) SOUTHERLY HALF OF MANNING AVENUE (30 FEET WIDE) A DISTANCE OF 182.47 FEET TO A POINT; THENCE

30. NORTH 28°09'00" WEST, 69.88 FEET TO A POINT; THENCE

31. SOUTH 61°51'00" WEST, 45.75 FEET TO A POINT; THENCE

32. NORTH 30°22'20" WEST, 17.72 FEET TO A POINT; THENCE

33. SOUTH 59°37'40" WEST, 74.60 FEET TO A POINT; THENCE

34. NORTH 30°22'20" WEST, 130.57 FEET TO A POINT; THENCE

35. NORTH 59°37'40" EAST, 46.00 FEET TO A POINT; THENCE

Issued By:

CHICAGO TITLE INSURANCE COMPANY

2 UNIVERSITY PLZ STE 206, HACKENSACK NJ 07601

PHONE: (201)489-5000

FAX: (201)489-5336

SCHEDULE A
(continued)

Your Reference: WHITLOCK MILLS-TBA/NBU # 141000794

Title No: 2010-80487

36. NORTH 30°22'20" WEST, 90.52 FEET TO A POINT; THENCE

37. NORTH 59°37'40" EAST, 74.32 FEET TO A POINT; THENCE

38. SOUTH 30°22'20" EAST, 240.58 FEET TO THE END OF THE ABOVE 30TH COURSE ABOVE GIVEN; THENCE

39. SOUTH 28°09'00" EAST, ALONG SAID 30TH COURSE 69.88 FEET TO A POINT IN THE FORMER CENTERLINE OF MANNING AVENUE, NOW BEING THE NORTHWESTERLY LINE OF THE (FORMERLY VACATED) SOUTHERLY HALF OF MANNING AVENUE; THENCE

40. SOUTH 61°51'00" WEST, ALONG SAME, 276.06 FEET TO THE PLACE OF BEGINNING.

THE PARCEL OF LAND AND PREMISES WITHIN THE ABOVE DESCRIBED COURSES 26 THROUGH 33 INCLUSIVE IS KNOWN AS LOT 17, BLOCK 2057 AND IS NOT INCLUDED IN THE ABOVE DESCRIBED LANDS.

BEING SUBJECT TO A NONEXCLUSIVE INGRESS AND EGRESS EASEMENT BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF LAFAYETTE STREET (60 FEET WIDE) WITH THE SOUTHEASTERLY LINE OF FORMER MANNING AVENUE (60 FEET WIDE) (VACATED 7/19/1955); THENCE

1. NORTH 31°09'00" WEST, ALONG THE CENTER LINE OF LAFAYETTE STREET, 74.08 FEET TO A POINT; THENCE

2. NORTH 61°51'00" EAST, 209.12 FEET; THENCE

3. NORTH 30°22'20" WEST, 41.50 FEET TO A POINT IN THE LINE OF TAX LOT 17, BLOCK 2057; THENCE

4. NORTH 59°37'40" EAST, ALONG SAME, 54.50 FEET TO A POINT; THENCE

5. SOUTH 30°22'20" EAST, 45.70 FEET TO A POINT; THENCE

6. NORTH 61°51'00" EAST, 40.00 FEET TO A POINT; THENCE

7. SOUTH 28°09'00" EAST, 41.92 FEET TO A POINT IN THE FORMER CENTER LINE OF MANNING AVENUE (VACATED 7/19/1955); THENCE

8. SOUTH 61°51'00" WEST, ALONG SAME, 95.00 FEET TO A POINT; THENCE

9. NORTH 28°09'00" WEST, 18.00 FEET TO A POINT; THENCE

10. SOUTH 61°51'00" WEST, 158.37 FEET TO A POINT OF CURVE; THENCE

11. IN A GENERAL SOUTHEASTERLY DIRECTION, CURVING TO THE LEFT ON A RADIUS OF 18.00 FEET, AN ARC DISTANCE OF 29.22 FEET TO A POINT IN THE EXTENDED NORTHEASTERLY LINE OF LAFAYETTE STREET; THENCE

Issued By:

CHICAGO TITLE INSURANCE COMPANY

2 UNIVERSITY PLZ STE 206, HACKENSACK NJ 07601

PHONE: (201)489-5000

FAX: (201)489-5336

SCHEDULE A
(continued)

Your Reference: WHITLOCK MILLS-TBA/NBU # 141000794

Title No:

2010-80487

12. SOUTH 31°09'00"EAST, ALONG SAME, 30.04 FEET TO A POINT IN THE FORMER SOUTHEASTERLY LINE OF VACATED MANNING AVENUE; THENCE

13. SOUTH 61°51'00" WEST, ALONG SAME, 30.04 FEET TO THE PLACE OF BEGINNING.

THE FOREGOING DESCRIPTION BEING IN ACCORDANCE WITH A SURVEY PREPARED BY VOLLMER ASSOCIATES, LLP, DATED JUNE 12, 2003 REVISED TO MAY 18, 2004.

BEING ALSO KNOWN AS (REPORTED FOR INFORMATIONAL PURPOSES ONLY):

LOT 28, BLOCK 2057, ON THE OFFICIAL TAX MAP OF THE CITY OF JERSEY CITY, COUNTY OF HUDSON, STATE OF NEW JERSEY.

Issued By:

CHICAGO TITLE INSURANCE COMPANY

2 UNIVERSITY PLZ STE 206, HACKENSACK NJ 07601

PHONE: (201)489-5000

FAX: (201)489-5336

Schedule B - Section I

Your Reference: WHITLOCK MILLS-TBA/NBU # 141000794

This Commitment expires six (6) months after the Commitment Date.

Title No: 2010-80487

**SCHEDULE B - SECTION I
REQUIREMENTS**

The following are the requirements to be complied with:

- 1.1 Instrument(s) creating the estate or interest to be insured must be approved, executed, delivered, recorded and properly indexed in the land records.
- 1.2 Payment of the full consideration to, or for the account of, the grantor(s) and/ or mortgagor(s).
- 1.3 Payment of all applicable rates and charges to the company.
- 1.4 If the present transaction is an assignment of a mortgage or lease, an estoppel certificate executed by the owner of the fee must be obtained.
- 1.5 If the present transaction consists in whole or in part of a conveyance, mortgage or lease by a corporation, a certified copy of the Resolution of the Board of Directors authorizing the transaction together with a certificate that the corporation is solvent and the By-Laws have been complied with must be obtained.
- 1.6 An affidavit of title executed by the seller(s) and/ or mortgagor(s) must be obtained and the facts set forth therein must be considered.
- 1.7 The Company requires that you order a title continuation search ("Run-Down" or "Bring-Down") at least 24 hours prior to the scheduled closing or settlement. If the date of closing or settlement is postponed, you must order a new title continuation search.
- 1.8 The Company requires that a Notice of Settlement in connection with this transaction be filed, pursuant to N.J.S.A. 46:16A-1, et seq., as nearly as possible to (but not more than) forty-five (45) days prior to the anticipated closing date. If the closing is postponed to a date which is more than forty-five (45) days after the filing of the Notice of Settlement, another Notice of Settlement must be filed in a timely fashion.

A MORTGAGE FROM WHITLOCK MILLS, L.P., A MARYLAND LIMITED PARTNERSHIP TO TO BE ADVISED
(NOTE: TO BE A 4TH LIEN ON PREMISES)

B MORTGAGE FROM WHITLOCK MILLS, L.P., A MARYLAND LIMITED PARTNERSHIP TO TO BE ADVISED
NOTE: TO BE A SECOND LIEN ON PREMISES

E NEW JERSEY SUPERIOR COURT AND UNITED STATES DISTRICT COURT RETURNS DATED NOVEMBER
29, 2010, SHOW CLEAR. SEE ATTACHED. NOTE: PATRIOTS SEARCH DATED DECEMBER 2, 2010
SHOW CLEAR

F MORTGAGE MADE BY WHITLOCK MILLS, L.P., A MARYLAND LIMITED PARTNERSHIP, TO THE NEW
JERSEY HOUSING AND MORTGAGE FINANCE AGENCY TO SECURE THE PAYMENT OF \$38,365,568.00,
AND INTEREST, DATED MAY 26, 2004, RECORDED JUNE 3, 2004, IN THE OFFICE OF THE
CLERK/REGISTER OF HUDSON COUNTY, AS MORTGAGE BOOK 11555 PAGE 313.
ASSIGNMENT OF LEASES AND RENTS RECORDED JUNE 3, 2004 IN MORTGAGE BOOK 11555 PAGE
325, AMENDED BY RELEASE BOOK 601 PAGE 25.

6 MORTGAGE BOOK 11556, PAGE 1, BETWEEN WHITLOCK MILLS, L.P., A MARYLAND LIMITED
PARTNERSHIP (MORTGAGOR/BORROWER) AND NEW JERSEY HOUSING AND MORTGAGE FINANCE
AGENCY (MORTGAGEE/LENDER) DATED MAY 26, 2004, RECORDED JUNE 3, 2004, IN THE OFFICE
OF THE CLERK/REGISTER OF HUDSON; IN THE INITIAL AMOUNT OF \$--.

CONTINUED

Issued By:

CHICAGO TITLE INSURANCE COMPANY

2 UNIVERSITY PLZ STE 206, HACKENSACK NJ 07601

PHONE: (201) 489-5000

FAX: (201) 489-5336

Schedule B - Section I (continued)

Your Reference: WHITLOCK MILLS-TBA/NBU # 141000794

This Commitment expires six (6) months after the Commitment Date.

Title No:

2010-80487

Hme *ap*
MORTGAGE BOOK 11556 , PAGE 24 , BETWEEN WHITLOCK MILLS, L.P., A MARYLAND LIMITED PARTNERSHIP (MORTGAGOR/BORROWER) AND NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY (MORTGAGEE/LENDER) DATED MAY 26, 2004 , RECORDED JUNE 3, 2004, IN THE OFFICE OF THE CLERK/REGISTER OF HUDSON; IN THE INITIAL AMOUNT OF \$--.

I MORTGAGE BOOK 11556 , PAGE 37 , BETWEEN WHITLOCK MILLS, L.P., A MARYLAND LIMITED PARTNERSHIP (MORTGAGOR/BORROWER) AND CITY OF JERSEY CITY (MORTGAGEE/LENDER) DATED MAY 26, 2004 , RECORDED JUNE 3, 2006, IN THE OFFICE OF THE CLERK/REGISTER OF HUDSON; IN THE INITIAL AMOUNT OF \$1,300,000.00.

P LIMITED PARTNERSHIP STATUS REPORT VS. WHITLOCK MILLS, L.P., A MARYLAND LIMITED PARTNERSHIP DATED DECEMBER 2, 2010 SHOWS THE CERTIFICATE OF AUTHORITY TO TRANSACT BUSINESS IN NEW JERSEY IS IN FORCE AND EFFECT.

S PROOF IS REQUIRED BY AFFIDAVIT OR OTHERWISE THAT THE CONSENT OF THE LIMITED PARTNERS TO THE TRANSACTION TO BE INSURED IS NOT REQUIRED BY THE PARTNERSHIP AGREEMENT FOR WHITLOCK MILLS, L.P., A MARYLAND LIMITED PARTNERSHIP, OR THAT IT HAS BEEN OBTAINED.

R MORTGAGE BOOK 17529 , PAGE 711 , BETWEEN WHITLOCK MILLS, L.P., A MARYLAND LIMITED PARTNERSHIP (MORTGAGOR/BORROWER) AND NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY (MORTGAGEE/LENDER) DATED JUNE 8, 2010 , RECORDED JUNE 24, 2010, IN THE OFFICE OF THE CLERK/REGISTER OF HUDSON; IN THE INITIAL AMOUNT OF \$500,000.00.

Issued By:

CHICAGO TITLE INSURANCE COMPANY

2 UNIVERSITY PLZ STE 206, HACKENSACK NJ 07601

PHONE: (201)489-5000

FAX: (201)489-5336

Schedule B - Section I (continued)

Your Reference: **WHITLOCK MILLS-TBA/NBU # 141000794**

This Commitment expires six (6) months after the Commitment Date.

Title No:

2010-80487

END OF SCHEDULE B - SECTION I

Issued By:

CHICAGO TITLE INSURANCE COMPANY

2 UNIVERSITY PLZ STE 206, HACKENSACK NJ 07601

PHONE: (201)489-5000

FAX: (201)489-5336

Schedule B - Section II

Your Reference: WHITLOCK MILLS-TBA/ NBU # 141000794

Title No: 2010-80487

This Commitment expires six (6) months after the Commitment Date.

SCHEDULE B - SECTION II

EXCEPTIONS

Taxes become a lien on lands on January 1st of each year and are payable in quarterly installments on February 1st, May 1st, August 1st and November 1st.

Our policy will not insure against taxes, water rates, assessments and other matters relating to taxes which have not become a lien up to the date of the policy or installments due after the date of the policy. Neither the tax search nor our policy covers any part of the streets on which the premises to be insured abut.

This commitment does not purport to show all the terms and provisions of the mortgage(s) contained herein, if any. Interested parties should communicate with the holder(s) thereof to consider the terms thereof, the obligation(s) secured and the effect of any unrecorded agreements in modification thereof.

For Information Only: If the instrument to be insured is a purchase money mortgage covering a 1 to 4 family dwelling and owner's insurance is not desired, written notice declining right to purchase same is required from mortgagor pursuant to statutory requirement. (Notice and Waiver form enclosed)

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company:

- 1.1 Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof, but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.
- 1.2 Rights of or claims by parties in possession not shown by the public records.
- 1.3 Notwithstanding any provision of the policy to the contrary, the following matters are expressly excepted from the coverage of the policy, and the Company will not pay loss or damage, costs, attorney's fees or expenses that arise by reason of any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the title that would be disclosed by an accurate and complete land survey of the land.
- 1.4 Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
- 1.5 Liability for additional assessment for taxes in connection with new construction pursuant to N.J.S.A. 54:4-63.1 and the following sections.
- 1.6 Taxes, charges and assessments.

- U** SUBJECT TO RESULTS OF MUNICIPAL DEPARTMENT SEARCHES, WHICH HAVE BEEN ORDERED BUT NOT YET RECEIVED.
- D** MUNICIPAL LIENS, IF ANY, FOR UTILITY SERVICES DUE AND PAYABLE AT OR PRIOR TO THE POLICY EFFECTIVE DATE ARE HEREBY EXCEPTED FROM COVERAGE.
- J** COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENT(S) FOR INGRESS AND EGRESS SET FORTH IN DEED BOOK 5546 PAGE 310 AND DEED BOOK 5848 PAGE 258 AND DEED BOOK 2172 PAGE 446.
MORTGAGE POLICY TO ISSUE WILL INSURE, EASEMENT DOES NOT INTERFERE WITH THE USE AND ENJOYMENT OF THE PROPERTY FOR MULTIFAMILY PURPOSES AS DEPICTED ON THE SITE PLAN.
- K** PRIVATE RIGHTS INCLUDING, WITHOUT LIMITATIONS, THE RIGHTS OF UTILITY COMPANIES IN AND TO SO MUCH OF THE PREMISES IN QUESTION AS LIES WITHIN THE BED OF MANNING AVENUE, LAFAYETTE STREET AND MAPLE STREET.

Issued By:

CHICAGO TITLE INSURANCE COMPANY

2 UNIVERSITY PLZ STE 206, HACKENSACK NJ 07601

PHONE: (201)489-5000

FAX: (201)489-5336

Schedule B - Section II (continued)

Your Reference: WHITLOCK MILLS-TBA/NBU # 141000794

This Commitment expires six (6) months after the Commitment Date.

Title No:

2010-80487

MORTGAGE POLICY TO ISSUE WILL INSURE, EASEMENT DOES NOT INTERFERE WITH THE USE AND ENJOYMENT OF THE PROPERTY FOR MULTIFAMILY PURPOSES AS DEPICTED ON THE SITE PLAN.

L COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS SET FORTH IN EASEMENT(S) IN DEED BOOK 5848 PAGE 258.

MORTGAGE POLICY TO ISSUE WILL INSURE, EASEMENT DOES NOT INTERFERE WITH THE USE AND ENJOYMENT OF THE PROPERTY FOR MULTIFAMILY PURPOSES AS DEPICTED ON THE SITE PLAN.

M THE FOLLOWING ITEMS DISCLOSED BY A SURVEY PREPARED BY VOLLMER ASSOCIATES, LLP, DATED JUNE 12, 2003 REVISED TO MAY 18, 2004, ARE HEREBY ADDED AS EXCEPTIONS IN SCHEDULE B:

A. OVERHEAD WIRES

B. UTILITY POLES

C. FENCE MISLOCATION ALONG PERIMETER LINES

D. VARIOUS SET BACK LINES AND BUFFER ZONE

E. SHED ON AND OVER WESTERLY LINE (LOT 17)

F. METAL STEPS ON AND OVER WESTERLY LINE (LOT 17)

G. CONCRETE WALL ENCROACHING OVER EASTERLY LINE FROM LOT 17

H. CONCRETE PAD ENCROACHING OVER EASTERLY LINE FROM LOT 17

I. VARIATIONS BETWEEN DEED AND SURVEY DISTANCES, POLICY TO ISSUE WILL INSURE SURVEY DISTANCES.

J. POSSIBLE INGRESS AND EGRESS EASEMENT EXIST THROUGH THE PROPERTY IN QUESTION, WHICH BENEFITS THE ADJOINING PROPERTY TO THE SOUTHWEST (LOT 15D), EASEMENT IS UNDEFINED AND CAN NOT BE PLOTTED.

POLICY SHALL AFFIRMATIVELY INSURE MORTGAGEE AGAINST ENFORCED REMOVAL OF ITEMS C, E AND F.

N FINANCING, DEED RESTRICTION(S) AND REGULATORY AGREEMENT IN RECORDED IN DEED BOOK 7293 PAGE 297, AMENDED BY DEED BOOK 8255 PAGE 77.

O HOME EXPRESS LOAN AGREEMENT AND DEED RESTRICTIONS RECORDED IN MORTGAGE BOOK 11556 PAGE 1.

Q RIGHTS OR CLAIMS OF TENANTS, LESSEES OR PARTIES IN POSSESSION.

*- Refer to
in
Deed
Book*

Issued By:

CHICAGO TITLE INSURANCE COMPANY

2 UNIVERSITY PLZ STE 206, HACKENSACK NJ 07601

PHONE: (201)489-5000

FAX: (201)489-5336

Schedule B - Section II (continued)

Your Reference: **WHITLOCK MILLS-TBA/ NBU # 141000794**

This Commitment expires six (6) months after the Commitment Date.

Title No:

2010-80487

END OF SCHEDULE B - SECTION II

Issued By:

CHICAGO TITLE INSURANCE COMPANY

2 UNIVERSITY PLZ STE 206, HACKENSACK NJ 07601

PHONE: (201) 489-5000

FAX: (201) 489-5336

Notes

Your Reference: **WHITLOCK MILLS-TBA/NBU # 141000794**

This Commitment expires six (6) months after the Commitment Date.

Title No: **2010-80487**

NOTES

T

FOR YOUR INFORMATION:

**THIS TITLE COMMITMENT WAS EXAMINED AND PREPARED BY: ANN TYRPAK 1-888-TITLENJ
(1-888-848-5365) EXTENSION 420**

**PLEASE CONTACT ANN TYRPAK FOR ANY ISSUES, QUESTIONS OR CONCERNS REGARDING THIS
COMMITMENT.**

Issued By:

CHICAGO TITLE INSURANCE COMPANY

2 UNIVERSITY PLZ STE 206, HACKENSACK NJ 07601

PHONE: (201)489-5000

FAX: (201)489-5336

Conditions

Your Reference: WHITLOCK MILLS-TBA/ NBU # 141000794

This Commitment expires six (6) months after the Commitment Date.

Title No: 2010-80487

CONDITIONS

1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.
2. If the proposed Insured has or acquired actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions.
3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.
4. This Commitment is a contract to issue one or more title insurance policies and is not an abstract of title or a report of the condition of title. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.
5. The policy to be issued contains an arbitration clause. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. You may review a copy of the arbitration rules at <<http://www.alta.org/>>.



Tyrpak, Mary Ann

From: Meg Manley [mmanley@housingtrust.net]
Sent: Wednesday, December 08, 2010 2:52 PM
To: Tyrpak, Mary Ann
Cc: Weinheimer, William; Wallace Scruggs; Martha L. Hylton
Subject: FW: Whitlock Mills -- Title Insurance Commitment

Ann:

Please see the email below from Sue Plesnarski. She needs the original *countersigned* commitment with all attachments mailed to her before she will do her review. Can you do this?

--

Meg A. Manley

Sr. Vice President, Development
HTA Development, LLC
6851 Oak Hall Lane
Suite 100
Columbia, MD 21045
Tel: 410.381.3309
Fax: 410.381.1666
Cell: 443.742.7890

----- Forwarded Message

From: Suzanne Plesnarski <SPlesnarski@njhmfa.state.nj.us>
Date: Wed, 08 Dec 2010 12:58:12 -0500
To: Justin Scruggs <jscruggs@housingtrust.net>
Cc: Barbara Geary <BGeary@njhmfa.state.nj.us>
Subject: Re: Whitlock Mills -- Title Insurance Commitment

Thanks, Justin.

I took a quick look at Schedules A and B and note that we need the following:

- a) Agency to be insured in Schedule A, #2c and 2d as: "New Jersey Housing and Mortgage Finance Agency, its successors and/or assigns as their interest may appear."
- b) the title commitment is NOT countersigned; please send original, countersigned title commitment with all attachments by mail (not pdf).

Once we get the original, countersigned title commitment I'll do a more thorough review and advise what additional requirements must be satisfied prior to TCX closing.

Thank you,
Sue

Suzanne M. Plesnarski, Senior Paralegal

12/8/2010

New Jersey Housing and Mortgage Finance Agency
637 S. Clinton Ave., PO Box 18550
Trenton, NJ 08650-2085
(609) 278-7537
(609) 278-7639 (fax)

This electronic message contains advisory, consultative and deliberative material and is intended only for the person(s) named as recipient(s). Any disclosure, copying, distribution or use of the contents of this information without prior authorization from the original author is prohibited.

If you received this electronic transmission in error, please notify me by return electronic mail, and destroy the original message and all copies.

>>> Justin Scruggs <jscruggs@housingtrust.net> 12/8/2010 11:32 AM >>>

Sue,

Below is a link to download the Title Insurance Policy. I believe it was too large to email as an attachment. Please let me know if you have any problems downloading.

Thanks,

http://www.housingtrust.net/temp/Title_Insurance.pdf

--

Justin Scruggs
Project Manager

HTA Development, LLC
6851 Oak Hall Lane, Suite 100
Columbia, MD 21045
Tel: 410-381-3409
Fax: 410-381-1666
Email: jscruggs@housingtrust.net

From: Meg Manley <mmanley@housingtrust.net>
Date: Wed, 08 Dec 2010 10:52:04 -0500
To: Suzanne Plesnarski <SPlesnarski@njhmf.state.nj.us>
Cc: "Martha L. Hylton" <mhylton@gejlaw.com>, Wallace Scruggs <wscruggs@housingtrust.net>, Justin Scruggs <jscruggs@housingtrust.net>
Subject: Whitlock Mills -- Title Insurance Commitment

Sue:

Attached is the draft title commitment with all attachments. I spoke to Bill Weinheimer at Chicago Title yesterday regarding the survey affidavit, and he said he can do exactly what you said and insure based on the current survey with the caveat that an as-built will be provided at the end of the job. We are good on that issue.

--

Meg A. Manley
Sr. Vice President, Development
HTA Development, LLC
6851 Oak Hall Lane

12/8/2010

Suite 100
Columbia, MD 21045
Tel: 410.381.3309
Fax: 410.381.1666
Cell: 443.742.7890

----- Forwarded Message

From: Justin Scruggs <jscruggs@housingtrust.net>
Date: Tue, 07 Dec 2010 17:06:04 -0500
To: Meg Manley <mmanley@housingtrust.net>
Subject: Title Insurance

See attached.

--

Justin Scruggs
Project Manager

HTA Development, LLC
6851 Oak Hall Lane, Suite 100
Columbia, MD 21045
Tel: 410-381-3409
Fax: 410-381-1666
Email: jscruggs@housingtrust.net

----- End of Forwarded Message

----- End of Forwarded Message

----- End of Forwarded Message

THE STATE CAPITAL TITLE & ABSTRACT CO.

HEREBY CERTIFIES TO

JUDGMENT SEARCH
SUPERIOR COURT OF NEW JERSEY
US DISTRICT COURT OF NJ
US BANKRUPTCY COURT OF NJ

REF:2010-80487

CHICAGO TITLE INSURANCE CO. *
2446 CHURCH STREET
TOMS RIVER, NJ 08753

THAT IT HAS SEARCHED THE INDEX OF THE CIVIL JUDGMENT AND ORDER DOCKET OF THE SUPERIOR COURT OF NEW JERSEY AND THE INDICES OF THE UNITED STATES DISTRICT COURT AND UNITED STATES BANKRUPTCY COURT, DISTRICT OF NEW JERSEY, AND FINDS THERE TO BE NO JUDGMENT OR OTHER DOCKETED RECORD REFERRED TO WITHIN THE AFORESAID COURT INDICES, CONSTITUTING A GENERAL LIEN ON REAL PROPERTY IN NEW JERSEY, WHICH REMAINS UNSATISFIED OF RECORD, NOR DOES IT FIND ANY CERCLA LIEN ON SPECIFIC REAL PROPERTY WITHIN NEW JERSEY, NOR ANY PETITION COMMENCING PROCEEDINGS IN A BANKRUPTCY ACTION, AGAINST THE NAMES SEARCHED, ENTERED OR FILED DURING THE PERIOD SEARCHED, EXCEPT AS FOLLOWS:

WHITLOCK MILLS, L.P.
(ENTITY)

FROM	TO
11-29-1990	11-29-2010

*** CLEAR ***

DATED: 11/29/2010
TIME: 9:57 AM

FEE: \$ 10.00
TAX: \$ 0.00
TOTAL: \$ 10.00

The State Capital Title & Abstract Co.
830 Bear Tavern Rd.
Trenton, NJ 08628
(609) 771-3818
www.statecapital.net

336 443405 1057527

PATRIOT SEARCH
UNITED STATES PATRIOT NAME SEARCH
U.S. Department of the Treasury

CHICAGO TITLE INSURANCE CO. *
2446 CHURCH STREET
TOMS RIVER, NJ 08753
CUSTOMER CONTACT: Barbara Cleaveland

ORDER NUMBER: 443405
REPORT CONTROL NO: 1057528
REPORT RUN : 12/2/2010

REFERENCE: 2010-80487

FEE: \$ 2.00
TAX: \$ 0.00
TOTAL: \$ 2.00

THE STATE CAPITAL TITLE & ABSTRACT CO. hereby certifies to CHICAGO TITLE INSURANCE CO.
* that it has searched the Specially Designated Nationals and Blocked Persons list
maintained by the United States Department of the Treasury, Office of Foreign Assets
Control and finds in the record the following:

NAME SEARCHED: WHITLOCK MILLS, L.P. (ENTITY)
THROUGH: 11/29/2010
SEARCH FOR ABOVE NAME HAS COME BACK CLEAR

PLEASE NOTE: PURSUANT TO SANCTIONS IMPOSED BY THE U.S. DEPARTMENT OF TREASURY,
NO U.S. PERSON MAY DEAL WITH ANY LIBYAN OR IRAQI GOVERNMENT OFFICIAL WHETHER OR
NOT THEIR NAME APPEARS ON THE SPECIALLY DESIGNATED NATIONALS LIST.

LIMITED PARTNERSHIP STATUS REPORT

ID#:

0600179499

of
WHITLOCK MILLS L.P.

THE STATE CAPITAL TITLE & ABSTRACT CO., having caused the duly indexed records of the New Jersey Department of Treasury, Clerk of the Superior Court, Clerk of the U.S. District Court for the District of New Jersey, and the Director of the Division of Taxation, Department of Treasury to be examined insofar as they relate to the above named limited partnership, CERTIFIES TO:

CHICAGO TITLE INSURANCE CO. *

That said limited partnership was organized under the laws of the State of Maryland

Last annual report filed: 2010.

That on September 09, 2003 the Division of Revenue of New Jersey issue a Certificate of Authority permitting said limited partnership to transact business in this State.

That the Certificate of Authority issued to said limited partnership to transact business in the State of New Jersey is in force and effect.

That the name and address of its last designated Registered Agent is:

JEFFERY E. HERRMANN
Park 80, Plaza West One
Saddle Brook, NJ 07662

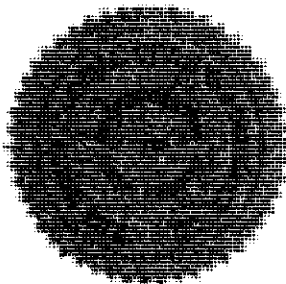
IT FURTHER CERTIFIES:

That the indices (exclusive of those relating to proceedings in bankruptcy) in the Office of the Clerk of the Superior Court in Trenton, N.J. and in the Office of the Clerk of the U.S. District Court for the District of New Jersey do not reveal the appointment of a Receiver for said limited partnership to date

In Witness Whereof, The State Capital Title & Abstract Co.
has caused these presents to be executed on the date
hereinafter subscribed.

Dated: December 02, 2010 JS

Attest:



1057526

Secretary

President

Fee : \$30.00



Priority Search Services INC

Personal Service. Dependable Results.

830 Broad Street, Shrewsbury, New Jersey 07702

Phone: (732) 741-5080 - Fax: (732) 741-5068

CHICAGO TITLE INSURANCE COMPANY

Title #: 2010-80487

BLOCK: 2057 LOT: 28

OWNER: WHITLOCK MILLS, LP

MAIL: 6851 OAK HALL LANE, S-100 COLUMBIA, MD 21045

LOCATION: 160 LAFAYETTE ST.

CITY OF JERSEY CITY, HUDSON COUNTY (201) 547-5125

CITY HALL, 280 GROVE ST., JERSEY CITY, NJ 07302

CERTIFICATE OF OCCUPANCY FOR SALE OF A 1 OR 2 FAMILY HOME NOT REQUIRED; SMOKE DETECTOR CERTIFICATE REQUIRED IN ALL MUNICIPALITIES; MUNICIPAL CODE: 0906; 2009 TAX RATE 60.01

APPROX. LOT SIZE:	LAND VALUE:	\$1,194,400
BUILDING DESCRIPTION:	IMPROVEMENT VALUE:	\$780,600
ASSESSOR'S CODE: 4B-INDUSTRIAL	TOTAL ASSESSMENT:	\$1,975,000

EXEMPTIONS: NONE
ABATEMENT OF: NONE

TAXES 2009 TAXES: **\$118,519.75 PAID IN FULL**
2010 QTR 1: **\$ 35,026.47 PAID**
QTR 2: **\$ 33,481.38 PAID**
QTR 3: **\$ 33,913.20 PAID**
QTR 4: **\$ 33,913.20 PAID**
2011(1st) HALF: **\$ 68,167.14 OPEN**

ADDED ASSESSMENT: **PENDING IF PREMISES WAS IMPROVED**

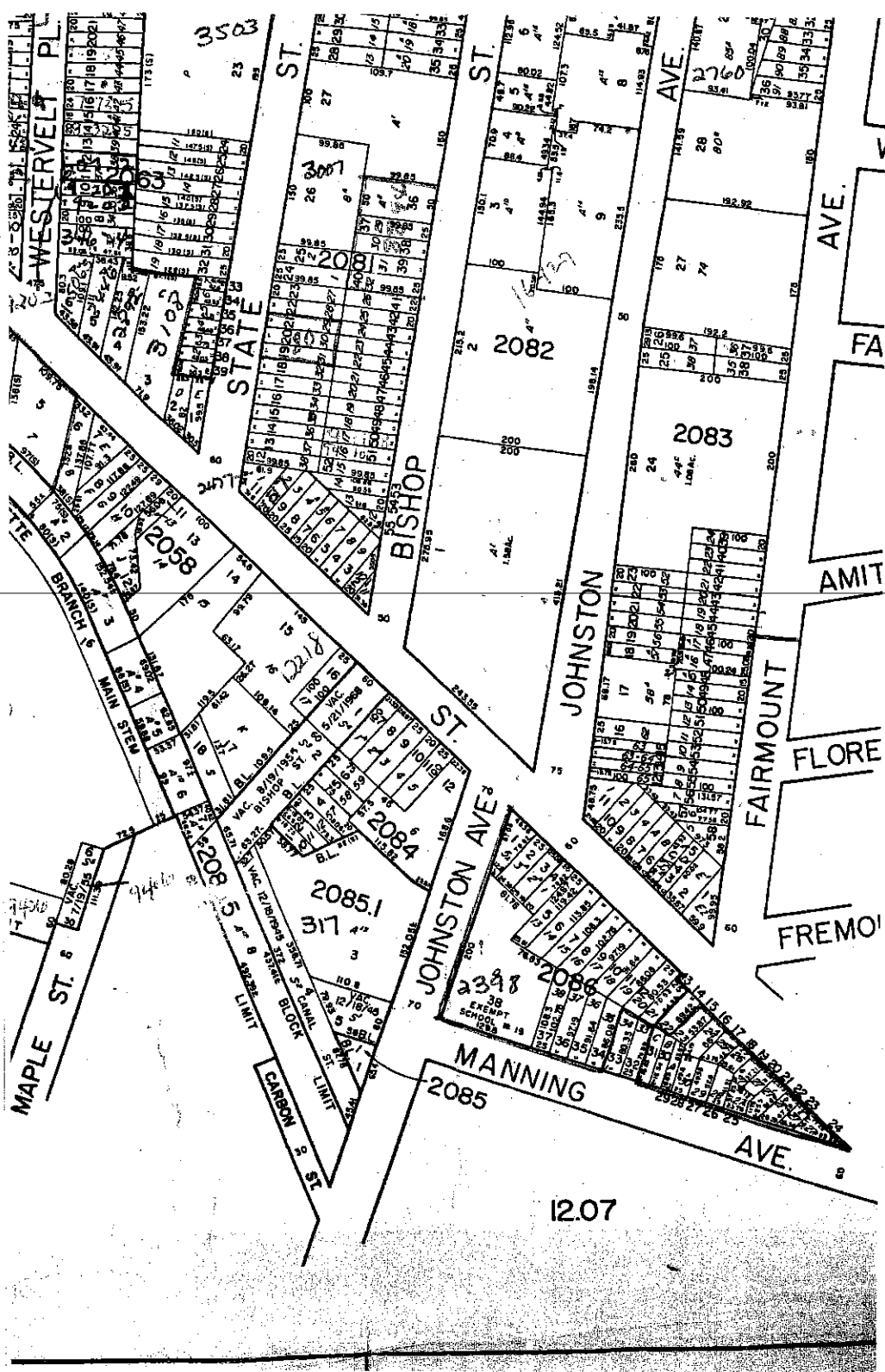
LIENS: NONE
REDEMPTION REQUIRED
TO REDEEM LIEN

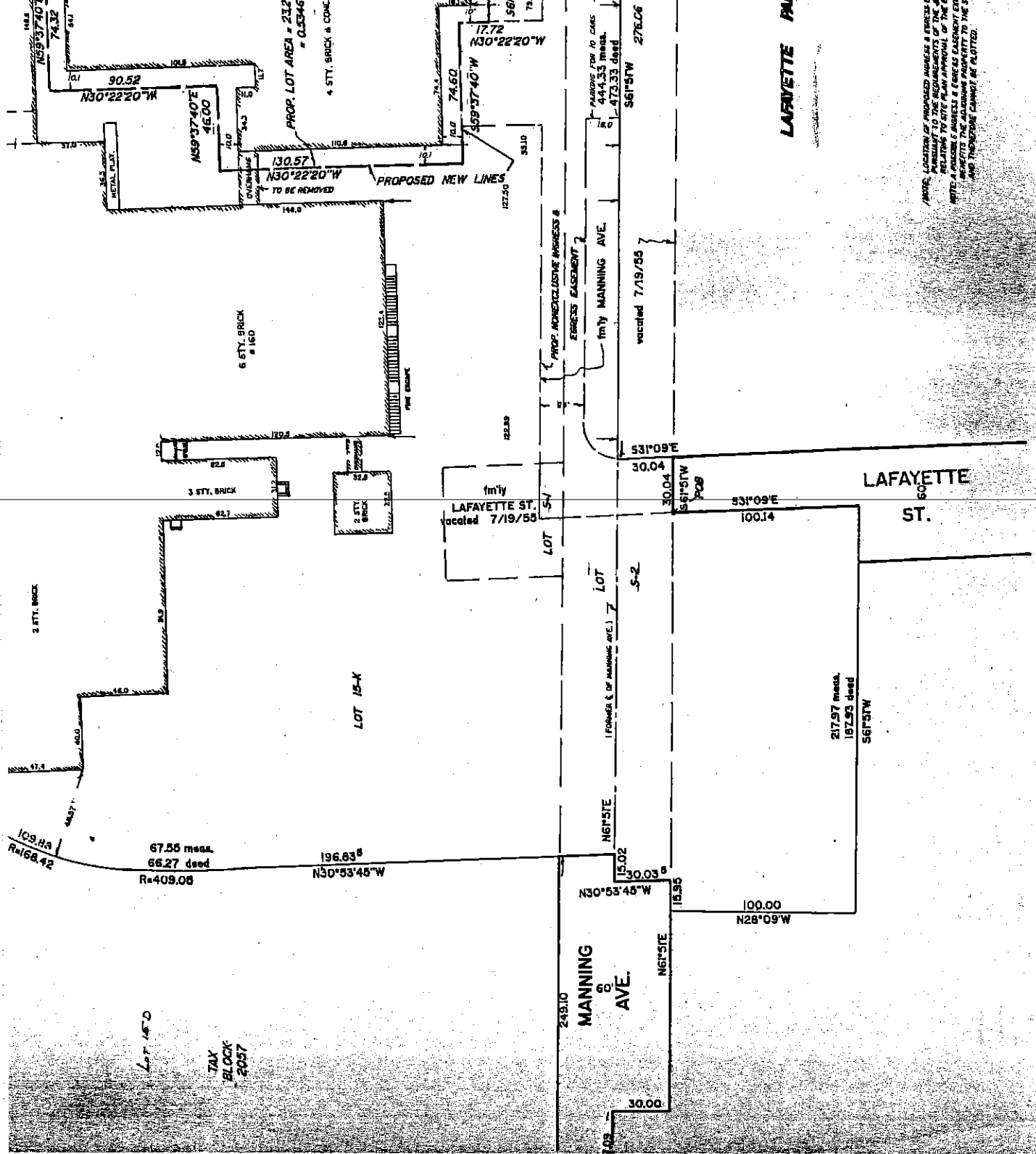
CONFIRMED ORDINANCE: NONE

SPECIAL ORDINANCE: NONE

WATER ACCOUNT # **999-579-535 TO: 11/18/10 \$1,402.80 OPEN & PENALTY
SUBJECT TO FINAL READING; CONTACT: (800) 575-4433**

SEWER ACCOUNT # **SEWER CHARGES INCLUDED IN WATER BILLING**





NOTE: LOCATION OF PROPOSED IMPROVEMENTS & EASEMENTS
SUBJECT TO THE REQUIREMENTS OF THE
RELATIVE TO THE CITY PLAN APPROVAL OF THE
CITY ENGINEER & BOARD OF PUBLIC WORKS
AND THEREAFTER CANNOT BE PLOTTED.

LAFAYETTE RD

MANNING
AVE.

LAFAYETTE
ST.

779
7125
2425

STREET

ACS GOVERNMENT SERVICES

[illegible]

Novell Amoroso, P.A.

Deed

This Deed is made on February 2, 2004
BETWEEN
Robert Pimenta, Chapter 11 Trustee for the Bankruptcy Estate of Lafayette Manning, Inc.

whose post office address is
155 Polity Road
Hackensack, NJ 07601
referred to as the Grantor,
AND
Whitlock Mills, L.P.

whose post office address is

000003549
RECEIVED
AND
RECORDED
DEE

03/04/2004 03:28P
BARBARA A. DONNELLY
HUDSON COUNTY
REGISTER OF DEEDS
Receipt No. 162492

referred to as the Grantee.
The words "Grantor" and "Grantee" shall mean all Grantors and all Grantees listed above.

1. **Transfer of Ownership.** The Grantor grants and conveys (transfers ownership of) the property described below to the Grantee. This transfer is made for the sum of Four Million Dollars and 00/100 (\$4,000,000.00). The Grantor acknowledges receipt of this money.

2. **Tax Map Reference.** (N.J.S.A. 46:15-1.1) Municipality of Jersey City
Block No. 2057 Lot No. 18 Qualifier No. Account No.
☐ No property tax identification number is available on the date of this Deed. (Check box if applicable.)

3. **Property.** The Property consists of the land and all the buildings and structures on the land in the City of Jersey City and State of New Jersey. The legal description is:

☒ Please see attached Legal Description annexed hereto and made a part hereof. (Check box if applicable.)

Being the same premises conveyed to Grantor herein by deed from Crossland Developing, Inc., a New Jersey Corporation, dated September 12, 1998, recorded September 14, 1998 in the Hudson County Clerk's Office in Deed Book 5353, Page 221 et seq. Also Corrective Deed dated April 19, 1998 and recorded on December 22, 1999 in Deed Book 5546, Page 305 et seq., and also Corrective Deed dated December 15, 2003 and recorded on January 28, 2004 in Deed Book 07204, Page 000064 et seq.

Order Approving Sale of Real Property by Trustee pursuant to Section 363(f) free and clear of all liens, claims and interest entered on April 9, 2003 under Case No. BK-039248-2002, U.S. District Bankruptcy Court for the District of New Jersey, in the Matter of Lafayette Manning, Inc., a copy of which is attached hereto and made a part hereof ("Order").

Consideration : \$4000000.00 Exempt Code: E

Counts	State	N.P.H.R.F	Total
0.00	0.00	0.00	0.00
	Public	Extra	
	0.00	0.00	

linda Date: 03/04/2004

Prepared by: (print signer's name below signature)

(For Recorder's Use Only)

Denise T. O'Donnell
Denise T. O'Donnell
Attorney at Law of the State of New Jersey

BK107233 PG100337

1001 - Deed - Quitclaim - Ind. or Corp.
Main Language
Rev. 10/03



©1999 by ALL-STATE Legal
A Division of ALL-STATE International, Inc.
(800) 272-0800 Page 1

[illegible]

Piedmont Valley Title Service, Inc.
1637 Route 46 East Sate C106 Clinton, NJ 07013
Telephone: 973-773-3515 Fax: 973-773-2186

BK-07233 Pdx6C98G+HdA

REF ID: A66500

State of New Jersey
APPLICANT OF CONSPIRACY OR
EXTORTION

To be recorded with Deed Payment in c. 67, P.L. 1989, as amended by c. 226, P.L. 1990 ONJRA. 46-145 et seq.

STATE OF NEW JERSEY
COUNTY OF Bergen
ss.
I, John J. [Signature], Clerk of the County of Bergen, do hereby certify that the within and foregoing is a true and correct copy of the original as the same appears from the records of the County of Bergen.

[illegible]

1-10-19

100 Lafayette Street, Hudson County, Jersey City, New Jersey
Phone Address: (201) 733-1111

DISCONTINUATION [See Instructions etc.]

[illegible]

(d) By a receiver, Trustee in Bankruptcy or liquidator or assignee for the benefit of creditors.

ADVERTISING, RECEPTION AND MORE
NOTE: All items belong solely to member(s) only. ALL BOOKS IN PROPOSED CATEGORY MUST BE CANCELLED. Please see the World Catalog for complete description. (See further sections 22 and 23.)

☐ **SETHOR, CRISTIAN** (last name only) (Date last update 06/11/2011)
☐ Criminal and occupied by prisoner(s) at time of sale.
☐ Not listed among the family members.
☐ Other or family member of family member.

2) BLIND (See instruction #1.)	DEAF/BLIND (See instruction #1.)
<input type="checkbox"/> Cracked(s) lightly filled. *	<input type="checkbox"/> Cracked(s) permanently and totally disabled. *
<input type="checkbox"/> Cracked(s) - See instruction #2.	

☐ Not going anywhere other than spouse or other qualified exempt's address.

☐ Covered and occupied by guest(s) at time of sale.

☐ Not readily accessible.

LOW AND MODERATE INCOME HOUSING (See Instruction #1)
A. Affordable Housing in HUD Standard

NEW CONSTRUCTION (See Instructions p.1)

☐ Recently completed

☐ Not previously owned

☐ Not previously owned

1000

150 Peffer Road
Robert Fennell

Dennis J. O'Donnell
An Attorney at Law of New York
FEDERAL OFFICIAL, USE ONLY This space has been left blank by the
Department of Justice for the use of the Department of State.
Copyright © 1978 by the U.S. Government Printing Office
GPO : 1978-0-268-801

REPORT MADE BY: SPECIAL AGENT IN CHARGE, NEW YORK
DATE WHEN MADE: 10-17-68
TITLE: [REDACTED]
CHARACTER OF SUBJECT: [REDACTED]
SYNOPSIS: [REDACTED]
Detailed Description: [REDACTED]
Comments: [REDACTED]

Order Article 70 to be forwarded by Canada to Statistics of Trade and Commerce Dept for H.S.A.C. 18-19-6-10
H.P.L.C. 778 - 16,2000 Rev only.

ORIGINAL AND COPY MUST BE SUBMITTED WITH DEED TO COUNTY RECORDING OFFICE

● 40

PE100334

TICOR TITLE INSURANCE COMPANY

- (27) North 30 degrees 22 minutes 20 seconds West, 130.57 feet to a point; thence
- (28) North 59 degrees 37 minutes 40 seconds East, 46.00 feet to a point; thence
- (29) North 30 degrees 22 minutes 20 seconds West, 90.52 feet to a point; thence
- (30) North 59 degrees 37 minutes 40 seconds East, 74.32 feet to a point; thence
- (31) South 30 degrees 22 minutes 20 seconds East 240.58 feet to the end of the above 23rd course above given; thence
- (32) South 28 degrees 09 minutes 00 seconds East, along said 23rd. course, 69.88 feet to a point in the former center line of vacated Manning Avenue; thence
- (33) South 61 degrees 51 minutes 00 seconds West, along same, 276.06 feet to the Northeasterly line of Lafayette Street (formerly vacated and rededicated 60 feet wide); thence
- (34) North 31 degrees 09 minutes 00 seconds West, along same, 30.04 feet to the place of beginning.

The above description is in accordance with a survey prepared by VOLLMER ASSOCIATES, LLP dated June 12, 2003 and last revised on December 16, 2003.

NOTE: Being Lot(s) 18 , Block 2057, Tax Map of the City of Jersey City, County of Hudson.

NOTE : Lot and Block shown for informational purposes only.

BK:07233 PG:00340

Issued by:

Passaic Valley Title Service, Inc.
1037 Route 46 East Suite C106 Clifton, NJ 07013
Telephone: 973-773-3535 Fax: 973-773-2186

Nowell Amoroso, P.A.

1645 - Affidavit of Consideration
RTJF-1 (Rev. 1/1/86)
8/96

STATE OF NEW JERSEY
AFFIDAVIT OF CONSIDERATION OR
EXEMPTION
(c. 49, P.L. 1968)

ALL-STATE Legal, A Division of
ALL-STATE® International, Inc.
908-272-0800

or
PARTIAL EXEMPTION
(c. 176, P.L. 1975)

To Be Recorded With Deed Pursuant to c. 49, P.L. 1968, as amended by c. 225, P.L. 1985 (N.J.S.A. 46:15-5 et seq.)

STATE OF NEW JERSEY

COUNTY OF Bergen

SS.

FOR RECORDER'S USE ONLY	
Consideration \$	<u>10,000</u>
Realty Transfer Fee	<u>340</u>
Date	<u>3-4-04</u>
By	<u>[Signature]</u>

* Use symbol "C" to indicate that fee is exclusively County use.

(1) PARTY OR LEGAL REPRESENTATIVE (See Instructions #3, 4 and 5 on reverse side.)

Deponent Robert Pimienta, being duly sworn according to law upon his/her oath

(Name)

deposes and says that he/she is the Trustee in a deed dated 02/02/04

(State whether Grantor, Grantee, Legal Representative, Corporate Officer, Officer of Title Co., Lending Institution, etc.)

transferring real property identified as Block No. 2057 Lot No. 18

located at 160 Lafayette Street, Hudson County, Jersey City, New Jersey

(Street Address, Municipality, County)

and annexed hereto.

(2) CONSIDERATION (See Instruction #6.)

Deponent states that, with respect to deed hereto annexed, the actual amount of money and the monetary value of any other thing of value constituting the entire compensation paid or to be paid for the transfer of title to the lands, tenements or other realty, including the remaining amount of any prior mortgage to which the transfer is subject or which is to be assumed and agreed to be paid by the grantee and any other lien or encumbrance thereon not paid, satisfied or removed in connection with the transfer of title is \$

(3) FULL EXEMPTION FROM FEE Deponent claims that this deed transaction is fully exempt from the Realty Transfer Fee imposed by c.49, P.L. 1968, for the following reason(s): Explain in detail. (See Instruction #7.) Mere reference to exemption symbol is not sufficient.

(g) By a receiver, Trustee in Bankruptcy or liquidation or assignee for the benefit of creditors.

(4) PARTIAL EXEMPTION FROM FEE

NOTE: All boxes below apply to grantor(s) only. ALL BOXES IN AP-PROPRIATE CATEGORY MUST BE CHECKED. Failure to do so will void claim for partial exemption. (See Instructions #8 and #9.)

Deponent claims that this deed transaction is exempt from the increased portion of the Realty Transfer Fee imposed by c. 176, P. L. 1975 for the following reason(s):

- A) SENIOR CITIZEN (See Instruction #8.)
- | | |
|--|--|
| <input type="checkbox"/> Grantor(s) 62 yrs. of age or over. * | <input type="checkbox"/> Owned and occupied by grantor(s) at time of sale. |
| <input type="checkbox"/> One or two-family residential premises. | <input type="checkbox"/> No joint owners other than spouse or other qualified exempt owners. |

- B) BLIND (See Instruction #8.)
- | | |
|--|--|
| <input type="checkbox"/> Grantor(s) legally blind. * | DISABLED (See Instruction #8.) |
| <input type="checkbox"/> One- or two-family residential premises. | <input type="checkbox"/> Grantor(s) permanently and totally disabled. * |
| <input type="checkbox"/> Owned and occupied by grantor(s) at time of sale. | <input type="checkbox"/> One or two-family residential premises. |
| <input type="checkbox"/> No joint owners other than spouse or other qualified exempt owners. | <input type="checkbox"/> Receiving disability payments. |
| | <input type="checkbox"/> Owned and occupied by grantor(s) at time of sale. |
| | <input type="checkbox"/> Not gainfully employed. |
| | <input type="checkbox"/> No joint owners other than spouse or other qualified exempt owners. |

* IN THE CASE OF HUSBAND AND WIFE, ONLY ONE GRANTOR NEED QUALIFY.

- C) LOW AND MODERATE INCOME HOUSING (See Instruction #8.)
- | | |
|---|--|
| <input type="checkbox"/> Affordable According to HUD Standards. | <input type="checkbox"/> Reserved for Occupancy. |
| <input type="checkbox"/> Meets Income Requirements of Region. | <input type="checkbox"/> Subject to Resale Controls. |

- D) NEW CONSTRUCTION (See Instruction #9.)
- | | |
|---|---|
| <input type="checkbox"/> Entirely new improvement. | <input type="checkbox"/> Not previously occupied. |
| <input type="checkbox"/> Not previously used for any purpose. | |

Deponent makes this Affidavit to induce the County Clerk or Register of Deeds to record the deed and accept the fee submitted herewith in accordance with the provisions of c. 49, P.L. 1968.

Subscribed and sworn to before me
this 2nd
day of February, 2004

[Signature]
Denise T. O'Donnell

[Signature]
Name of Deponent (sign above line)
155 Poliffy Road
Hackensack, NJ

Address of Deponent

[Signature]
Name of Grantor (type above line)
Robert Pimienta

155 Poliffy Road
Hackensack, NJ 07601
Address of Grantor at Time of Sale

Denise T. O'Donnell
An Attorney at Law of New Jersey

FOR OFFICIAL USE ONLY	
Deed Number	County
Deed Dated	Date Recorded

IMPORTANT - BEFORE COMPLETING THIS AFFIDAVIT, PLEASE READ THE INSTRUCTIONS ON THE REVERSE SIDE HEREOF. This format is prescribed by the Director, Division of Taxation in the Department of the Treasury, as required by law, and may not be altered without the approval of the Director.
ORIGINAL - To be retained by County.
DUPLICATE - To be forwarded by County to Division of Taxation on partial exemption from fee (N.J.A.C. 18:16 - 8.12)
TRIPPLICATE - Is your file copy.

ORIGINAL AND COPY MUST BE SUBMITTED WITH DEED TO COUNTY RECORDING OFFICER

BK:07233


PG:00339


The street address of the Property is:
160 Lafayette Street
Jersey City, New Jersey

4. **Type of Deed.** This Deed is called a Quitclaim Deed. The Grantor makes no promises as to ownership or title, but simply transfers whatever interest the Grantor has to the Grantee.

5. **Signatures.** The Grantor signs this Deed as of the date at the top of the first page. If the Grantor is a corporation, this Deed is signed and attested to by its proper corporate officers and its corporate seal is affixed. (Print name below each signature).

Witnessed or Attested by:


Denise T. O'Donnell

 (Seal)
Robert Pimienta, Chapter 11 Trustee for the

Bankruptcy Estate of Lafayette Manning, Inc.

STATE OF NEW JERSEY, COUNTY OF
I CERTIFY that on

SS.

personally came before me and stated to my satisfaction that this person (or if more than one, each person):

- (a) was the maker of this Deed;
- (b) executed this Deed as his or her own act; and,

(c) made this Deed for \$ as the full and actual consideration paid or to be paid for the transfer of title. (Such consideration is defined in N.J.S.A. 46:15-5.)

(Print name and title below signature)

STATE OF NEW JERSEY, COUNTY OF
I CERTIFY that on February 2, 2004

SS.

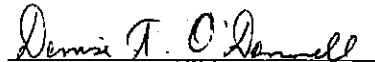
Robert Pimienta, Chapter 11 Trustee for the Bankruptcy Estate of Lafayette Manning, Inc.

personally came before me and stated to my satisfaction that this person (or if more than one, each person):

- (a) was the maker of the attached Deed;
- (b) was authorized to and did execute this Deed as Chapter 11 Trustee for the Bankruptcy Estate of Lafayette Manning, Inc. the entity named in this Deed;

(c) made this Deed for \$ 4,000,000.00 as the full and actual consideration paid or to be paid for the transfer of title. (Such consideration is defined in N.J.S.A. 46:15-5.); and
(d) executed this Deed as the act of the entity.

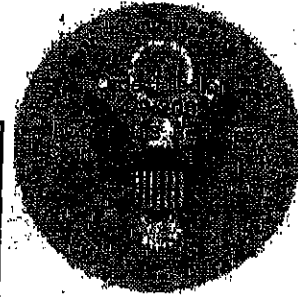
RECORD AND RETURN TO:
Cohn Lifland Pearlman Herrmann Knopf, LLP
Park 80 Plaza West One
Saddle Brook, New Jersey 07663
Attention: Allen Susser, Esq.


(Print name and title below signature)
Denise T. O'Donnell
Attorney at Law of the State of New Jersey

BK:07233 PG:00341

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

Nowell Amoroso Klein Bierman PA
Attorneys for Robert Pimental, Trustee
155 Polivy Road
Hackensack, New Jersey 07601
(201) 343-5001
David Edelberg, Esq. (DE-6258)



In Re:

LAFAYETTE MANNING, INC.

Debtor

Case No.: 02-39246(RG)

Hearing Date: April 3, 2003
@ 10:00 a.m.

Judge: Rosemary Gambardella

**ORDER APPROVING SALE OF REAL PROPERTY
BY TRUSTEE PURSUANT TO SECTION 363(f) FREE AND CLEAR
OF ALL LIENS, CLAIMS AND INTERESTS**

The relief set forth on the following pages, numbered two (2) through seven (7), is hereby
ORDERED.

DATED: 4/9/2003

Rosemary Gambardella
Rosemary Gambardella, Chief Judge
United States Bankruptcy Court

Lafayette Manning, Inc.
Case No. 02-39246(RG)

**ORDER APPROVING SALE OF REAL PROPERTY
BY TRUSTEE PURSUANT TO SECTION 363(f) FREE AND CLEAR
OF ALL LIENS, CLAIMS AND INTERESTS**

This matter having been brought before the Court upon the Application (the "Application") of Robert Pimienta, the Trustee ("Trustee") of Lafayette Manning, Inc., ("Debtor") the Debtor in the above captioned matter, through his attorneys, Nowell Amoroso Klein Bierman, P.A., seeking the entry of an Order approving the sale, free and clear of all liens, claims, encumbrances, executory contracts and interests (the "Sale") pursuant to Section 363(f) of the real property located at 160 Lafayette Street, Jersey City, New Jersey and more particularly identified as Block 2507, Lot 18 on the Tax Map of the City of Jersey City, New Jersey, together with all assignable land use and zoning approvals, permits, tax credits or abatements, improvements, easements and rights of way (collectively, the "Property") and the Court, having entered an order, dated January 14, 2003, scheduling a hearing upon the sale on February 27, 2003, and the Trustee having provided notice of the Application to all parties entitled to receive notice, and various parties having filed objections to the Application, it appearing that pursuant to an appraisal dated as of October, 2002, the Property has a value of between 2.875 and 6.475 million dollars, it appearing that the Debtor has entered into an amended contract annexed hereto with the Housing Trust Group, providing for the sale of the Property (the "Contract"), it appearing that such contract provides for a sale of the Property in "as is" condition, it appearing that notice of the sale hearing was properly advertised in the

New York Times and Newark Star-Ledger in accordance with this Court's Order, dated January 14, 2003, and good and sufficient cause appearing,

ORDERED, ADJUDGED AND DECREED as follows:

1. The Sale of the Property to Housing Trust of America, LLC ("Successful Bidder") for the purchase price of \$4,200,000.00, plus the cost of the demolition as provided in the Contract and the cost of capping the Property with 1-foot of clean fill, pursuant to Section 363 (f) of the Bankruptcy Code, free and clear of all liens, claims, encumbrances, executory contracts and interests; liens, claims and encumbrances to attach to proceeds, is hereby approved.
2. Due and proper notice of the Application has been provided to all parties who are entitled to notice under the circumstances and as provided in this Court's Order, dated January 14, 2003.
3. The Trustee and the Successful Bidder and each of their officers and directors, agents, attorneys and authorized representatives are authorized, empowered and directed, subject to the terms of this Order, to take all actions reasonably required, including the execution, delivery and performance of all agreements, instruments and documents, as may be necessary to consummate the Sale pursuant to the Contract.
4. The provisions of this Order shall be, and they hereby are, binding on the Trustee, the Debtor, each holder of a claim against or interest in the Debtor (as defined in the Bankruptcy Code), and all other parties in interest in this Chapter 11 case.
5. Each of: (i) the execution and delivery of the Deed; and (ii) delivery of each other document of conveyance of real property (collectively, the "Closing Date Transfers") shall be a transfer under a plan within the meaning of Section 1146(c) of the Bankruptcy Code.

6. The Transfer Documents shall constitute legal, valid, binding and authorized acts and obligations of the respective parties thereto, enforceable in accordance with their terms.

7. Pursuant to Sections 105 and 1146(c) of the Bankruptcy Code, all filing officers, including without limitation, the Office of the Clerk of Hudson County, New Jersey shall be, and hereby are, directed to accept from the Successful Bidder, the Trustee, the Debtor and/or any holders of any Liens, and their agents and attorneys, for recording and shall record this Order,

the Deed and all other Transfer Documents and other such other documents and instruments:

(i) which may be required to effectuate the transfer of the Property to the Successful Bidder,

(ii) which may be required to effectuate the discharge of any of the Liens and (iii) as are customarily recorded in connection with real estate transactions in Hudson County, New

Jersey (together, (i), (ii) and (iii) shall be referred to as the "Recordable Documents") ,

immediately upon presentation thereof at any time after the date of this Order, unconditionally

and without reservation, without the presentation of any affidavits, instruments or returns

otherwise required for recording or filing and without the assessment or payment of any stamp

tax, transfer tax or similar tax imposed by any state or local law (and shall not require payment

of such taxes) (together, "Transfer Taxes").

8. This Court shall retain continuing jurisdiction concerning this matter for purposes of resolving all disputes arising from the Sale.

9. The Successful Bidder is hereby determined to be a good faith purchaser under section 363(m) of the Bankruptcy Code, and shall be entitled to the protections afforded to a good faith purchaser thereunder.

10. In the absence of any stay pending appeal, in the event the Trustee and the Successful Bidder close the Sale of the Assets while an appeal of this Order is pending, they shall be entitled to rely upon the protections of section 363(m) of the Bankruptcy Code.

11. The provisions of this Order are self-executing and each and every federal, state or local agency, department or governmental authority is directed to accept this Order as authorizing the Debtors to consummate the Sale of the Assets, and no other or further approval, consent, license and the like of any such federal, state or local agency, department or governmental authority is required to effectuate, consummate or implement the Sale.

12. The Sale of the Property by the Trustee to the Successful Bidder shall be free and clear of all liens, claims, encumbrances, executory contracts and interests. Any liens that encumber the Property shall be transferred to and attach to the proceeds of the Sale thereof to the same extent and with the same force, status and effect, if any, as they had against the Property.

13. Upon the transfer of the Property from the Debtor to the Successful Bidder, the Successful Bidder shall not be deemed to: (i) be the successor of the Debtor, (ii) have de facto or otherwise, merged with or into the Debtor, or (iii) the mere continuation or substantial continuation of the Debtor.

14. The rights of Felipe Casas to assert a claim of a 5% interest in the Property are unmodified by this Order.

15. All persons holding or asserting a claim of any kind against the Property as of the date of this Order are enjoined from the commencement or continuation of any action, the employment of process, or any act, to collect or offset the Successful Bidder or the Property, on account of any such claim.

16. The Successful Bidder will be required to immediately deposit with the Trustee, a non-refundable deposit equal to an additional \$150,000.00 in the form of Attorney Trust account check, certified funds, money order or bank check.

17. The Successful Bidder will be required to close upon the sale within 120 days of April 13, 2003. The parties, including M.D. Sass, consent to the extension of the deadline to close upon the Sale, as set forth in the Order dated January 24, 2003 to such date.

18. The Sale of the Property is without any contingencies for financing or due diligence.

19. In the event the Successful Bidder is unable to consummate the Sale as provided for herein, the Successful Bidder's deposit will be forfeited and the Property will be offered to the next highest, qualified offer or, without further application to this Court or order.

20. A copy of this Order shall be served upon the Successful Bidder, the Debtor, the United States Trustee, and all parties who have filed a notice of appearance herein within seven (7) days hereof.

21. Except as expressly modified herein, no prior court orders, including the proposed order titled, "Stipulation and Order Establishing Nature, Extent and Validity of Secured Claims, Providing for Relief From the Stay or a Deed Pursuant to 11 U.S.C. § 363," shall be modified or affected by this Order.

22. The Trustee will establish a segregated, interest bearing account (the "Escrow") in the amount of \$1,740,000.00, within forty-eight (48) hours of closing upon the Sale; the Escrow is subject to further court order adjudicating the rights of M.D. Sass (M.D. Sass II or IV), based upon their respective tax sale Certificates, and the claims of the Estate to the Escrow. The Trustee will be the Escrow Agent.

HUD Mortgage No.: 30186-0999-7
Project No.: 031-98015
Page i

Record and Return to:
Beverly Harding, Paralegal
New Jersey Housing and Mortgage
Finance Agency
637 South Clinton Avenue
P.O. Box 18550
Trenton, New Jersey 08650-2085

000008535
RECEIVED
AND
RECORDED
AGMT

06/03/2004 07:12A
BARBARA A. DONNELLY
HUDSON COUNTY
REGISTER OF DEEDS
Receipt No. 184793

A COPY OF THIS DEED HAS
BEEN SENT TO ASSESSOR'S OFFICE

Whitlock Mills
HMFA #1388

338
339
340
341

FINANCING, DEED RESTRICTION AND REGULATORY AGREEMENT

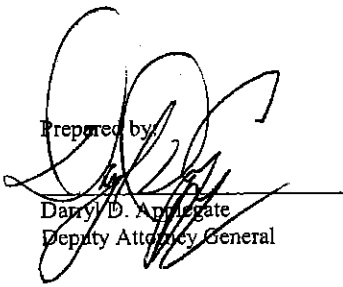
between

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

and

WHITLOCK MILLS, L.P.

Prepared by:


Darryl D. Applegate
Deputy Attorney General

Construction and Permanent Financing
Form Revised August 12, 1997

BK:07293 PG:00297

TABLE OF CONTENTS

Section 1.	Definitions and Interpretation	1
Section 2.	Background and Purpose	5
Section 3.	Residential Rental Property	6
Section 4.	Occupancy Restrictions Governing Tenant Incomes	7
Section 5.	Representations, Warranties and Covenants of the Owner	8
Section 6.	Environmental Representations, Warranties and Covenants of the Owner	10
Section 7.	Reporting Requirements	12
Section 8.	Covenants to Run With the Land	13
Section 9.	Term	13
Section 10.	Disbursement	13
Section 11.	Insurance; Condemnation	16
Section 12.	Taxes, Payments in Lieu of Taxes and Other Municipal Charges	18
Section 13.	Liens and Encumbrances	18
Section 14.	Maintenance, Repair and Replacement	19
Section 15.	Advance Amortization Payments	19
Section 16.	Reserve and Escrow Payments	20
Section 17.	Compliance Requirements	21
Section 18.	Lease of Dwelling Units - Maximum Rents	23
Section 19.	Consideration for Lease	23
Section 20.	Tenant Security Deposit	23
Section 21.	Account for Project Revenues	23
Section 22.	Inspection of Premises	24
Section 23.	Books and Records	24
Section 24.	Management Contract	24
Section 25.	Prohibited Actions	24
Section 26.	Change of Owner Status	25
Section 27.	Estoppel	25
Section 28.	Financing Statements	25
Section 29.	Assignment	26
Section 30.	Defaults	26
Section 31.	Remedies	27
Section 32.	Anticipatory Breach	29
Section 33.	Expenses Due to Default	29
Section 34.	Amendments; Notices; Waivers	30
Section 35.	Severability	31
Section 36.	Personal Liability	31
Section 37.	Counterparts	31
Section 38.	Disclaimer of Warranties, Liability, Indemnification	31
Section 39.	Filing	32

Section 40. Governing Law32
Section 41. Equal Opportunity and Nondiscrimination32
Section 42. Investment Funding and Return on Investment33
Section 43. Applicability and Conflict of Terms and Conditions33
Section 44. Miscellaneous33
Signatures34 and 35

Schedule A. Legal Description

Schedule B. Tax Certificate (Tax-Exempt Projects Only)

THIS FINANCING, DEED RESTRICTION AND REGULATORY AGREEMENT (this "Agreement"), is made and entered into as of May 26th, 2004, between the **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY** (the "Agency"), a body politic and corporate and an instrumentality exercising public and essential governmental functions of the State of New Jersey, created pursuant to the New Jersey Housing and Mortgage Finance Agency Law of 1983, N.J.S.A. 55:14K-1 et seq. (the "Act") and **WHITLOCK MILLS, L.P.**, a limited partnership (together with its approved successors and assigns, the "Owner"), organized and existing pursuant to the laws of the State of Maryland, duly authorized to transact business in the State of New Jersey and a qualified housing sponsor within the meaning of the New Jersey Housing and Mortgage Finance Agency Law of 1983, N.J.S.A. 55:14K-1 et seq., as amended (the "Act"), having its principal office at 6851 Oak Hall Lane, Suite 100, Columbia, MD 21045.

WITNESSETH:

In consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Agency and the Owner hereby agree as follows:

Section 1. Definitions and Interpretation

The following terms shall have the respective meanings set forth below:

"Act" means the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended from time to time, P.L. 1983, c. 530, N.J.S.A. 55:14K-1 et seq.

"Agency Regulations" means the regulations promulgated by the Agency pursuant to the Act and any policies, procedures or guidelines issued by the Agency with respect to the housing projects financed by the Agency under the Act, all of the foregoing as they may be amended from time to time.

"Assignment of Leases" means the Assignment of Leases between the Owner and Agency given by the Owner to the Agency as additional security for the repayment of the First Mortgage Loan.

"Bonds" means the New Jersey Housing and Mortgage Finance Agency Multi-Family Housing Revenue Bonds, Series 2004, issued under the Resolution.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement between the Agency and the Trustee pertaining to the Bonds as the same may hereafter be modified, supplemented or amended.

"Code" means the Internal Revenue Code of 1986, as amended.

"Construction Contract" means the agreement between the Owner and Constructamax, Inc. dated March 30, 2004, or any other agreement executed by the Owner and approved by the Agency, for the construction of the Project in accordance with the plans and specifications for the Project approved by the Agency.

"Environmental Laws" shall mean and include any Federal, State, or local statute, law, ordinance, code, rule, regulation, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic, or dangerous waste, substance, element, compound, mixture or material, as now or at any time hereafter in effect including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended, 42 U.S.C. Sections 9601 et seq., the Federal Hazardous Materials Transportation Act, as amended 42 U.S.C. Section 1801 et seq., the Federal Resource Conservation and Recovery Act as amended, 42 U.S.C. Sections 6901 et seq., the Superfund Amendments and Reauthorization Act, 42 U.S.C. Sections 9601 et seq., the Federal Toxic Substances Control Act, 15 U.S.C. Sections 2601 et seq., the Federal Hazardous Material Transportation Act, 49 U.S.C. Sections 1801 et seq., the Federal Clean Air Act, 42 U.S.C. Section 7401 et seq., the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 et seq., the Rivers and Harbors Act of 1899, 33 U.S.C. Sections 401 et seq., the Residential Lead-Based Paint Hazard Reduction Act of 1992, 42 U.S.C. Sections 4852d, the New Jersey Environmental Cleanup Responsibility Act, as amended N.J.S.A. 13:1K-6 et seq., the New Jersey Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq., the Spill Compensation and Control Act, as amended, N.J.S.A. 58:10-23.11, et seq., the New Jersey Tank Registration Act, N.J.S.A. 58:10A-21 et seq., the New Jersey Water Pollution Control Act, as amended, N.J.S.A. 58:10A-1 et seq., and all rules and regulations adopted and publications promulgated thereto, or any other so-called "Superfund" or "Superlien" laws, or any other Federal, state or local environmental law, ordinance, rule, or regulation, as any of the foregoing have been, or are hereafter amended.

"Event of Default" means any of the events set forth in Section 30 of this Agreement.

"First Mortgage" means the first mortgage given by the Owner to the Agency to secure the payment of the First Mortgage Note.

"First Mortgage Loan" means the first mortgage loan made to the Owner by the Agency to finance or refinance a portion of the cost of the development, construction, rehabilitation and/or acquisition of the Project, which is evidenced by the First Mortgage Note and secured by the First Mortgage.

"First Mortgage Note" means the interest bearing, non-recourse promissory note, made by the Owner to the Agency, that contains the promise of the Owner to pay the sum of money stated

therein at the times stated therein and that evidences the obligation of the Owner to repay the First Mortgage Loan.

"Hazardous Materials" shall mean and include those elements, materials, compounds, mixtures or substances which are contained in any list of hazardous substances adopted by the United States Environmental Protection Agency (the "EPA") or any list of toxic pollutants designated by Congress, the EPA, or the New Jersey Department of Environmental Protection ("NJDEP"), or which are defined as hazardous, toxic, pollutant, infectious, flammable or radioactive by any of the Environmental Laws, and, whether or not included in such lists, shall be deemed to include all products or substances containing petroleum, asbestos, lead, and polychlorinated biphenyls.

"HUD" means the United States Department of Housing and Urban Development.

"IRS Regulations" means the regulations promulgated or proposed by the United States Department of the Treasury or the Internal Revenue Service pursuant to the Code, and to the extent applicable, pursuant to the Internal Revenue Code of 1954, as both may be amended from time to time, including all rules, rulings, policies, and official statements issued by the United States Department of the Treasury or the Internal Revenue Service.

"Land" means the real property described in Schedule "A" attached hereto and made a part hereof.

"Loan Documents" means and includes this Agreement, the First Mortgage, the First Mortgage Note, the Assignment of Leases, the UCC-1 Financing Statements, the Security Agreement, the Disbursement Agreement regarding the Working Capital Account, and in the event the Project is receiving Tax-Exempt Financing, the Tax Certificate.

"Low Income Tenants" means occupants of the Project who have income of 60 percent or less of the area median gross income, adjusted for family size, as determined under Section 142(d) of the Code.

"MIP" means the Mortgage Insurance Premium payable to HUD on an annual basis for the mortgage Insurance under the Risk Sharing program administered by HUD.

"Permitted Encumbrances" means any

(i) Utility, access and other easements and rights of way, restrictions and exceptions that do not, individually or in the aggregate, materially impair the utility or value of the Project or Land for the purposes for which it is intended;

(ii) Liens which are being contested in good faith and for which the Owner has provided security satisfactory to the Agency;

(iii) Liens subordinate to the First Mortgage Loan arising due to any monies loaned in connection with the Project or other monies loaned to the Owner, provided such liens are disclosed to and approved by the Agency in writing; and

(iv) Any other encumbrances approved by the Agency in writing.

"Project" means the multifamily residential rental project constructed or otherwise financed with the proceeds of the First Mortgage Loan and all other improvements to be constructed or located on the Land.

"Qualified Bond Counsel" means an attorney or law firm acceptable to the Agency with respect to the issuance of bonds by States and their political subdivisions for the purpose of financing housing projects.

"Qualified Project Period" means the period beginning on the first day on which 10 percent of the residential units in the Project are occupied and ending on the latest of--

(i) the date which is 15 years after the date on which 50 percent of the residential units in the Project are occupied,

(ii) the 1st day on which no tax-exempt private activity bond issued with respect to the Project is outstanding, or

(iii) the date on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937 terminates.

"Residential Rental Project" means a qualified residential rental project as defined in Section 142(d) of the Code.

"Resolution" means the General and Series Resolutions and/or supplemental Resolutions of the Agency authorizing the sale and issuance of the Agency's Bonds, in connection with the financing or refinancing of the Project.

"Security Agreement" means the Security Agreement of even date herewith by and between the Agency and the Owner.

"**Servicing Fee**" means the servicing fee that is due from the Owner to the Agency as set forth in the First Mortgage Note.

"**State**" means the State of New Jersey.

"**Tax Certificate**" means the Tax Certificate for Borrowers of Tax-Exempt Bond Proceeds, the form of which is attached hereto as Schedule "B" if the Project is receiving Tax-Exempt Financing.

"**Tax Credits**" means low income housing tax credits that the Project may receive pursuant to the Code.

"**Tax-Exempt Financing**" means financing received by the Owner from the proceeds of the tax-exempt Bonds issued by the Agency, the interest on which is excludable from gross income for purposes of Federal or State income taxation.

"**Trustee**" means the institution named under the Resolution and designated to act as trustee thereunder with respect to the Bonds, and its successors.

"**UCC-1 Financing Statements**" means the UCC-1 Financing Statements between the Owner and Agency given by the Owner to the Agency as additional security for the repayment of the First Mortgage Loan.

Section 2. Background and Purpose

The Borrower will construct and/or rehabilitate and shall own, maintain, and operate the Project and the Land. The Project consists of 330 units of housing in Jersey City, Hudson County, New Jersey. To obtain financing for the Project, the Borrower has applied to the Lender for a First Mortgage Loan pursuant to the provisions of the Act. The Project and the Land constitute a "housing project" as defined in the Act. One hundred thirty two (132) units will be market rate, subject to tenant income limitations set forth in N.J.S.A. 55:14K-8.

In connection with its application for the Mortgage Loan, the Owner has furnished to the Agency Project information, including the description of the Land on which the Project is to be situated, plans and specifications for the construction and/or rehabilitation of the Project, the tenant population which is to be housed in the Project, the number of units of each type to be included therein, the estimated cost of providing the Project, information as to the projected income and expenses of the Project once completed and placed in operation and arrangements for the payments in lieu of taxes with respect to the Project. In approving the application and as a basis for providing the Mortgage Loan, the Agency has relied upon all of the foregoing Project information.

The Mortgage Loan is an "eligible loan" as defined in the Act, and is evidenced by the First Mortgage Note and is secured by the First Mortgage, which constitutes a valid first lien on the Project and Land. The Agency intends to make the First Mortgage Loan from funds obtained or to be obtained through the issuance of Bonds. To secure payment of the Bonds, if issued, the Agency will pledge payments due from the Owner from its repayment of the First Mortgage Loan, when made. As a condition of the Agency's approval of the Owner's application for the First Mortgage Loan, the Owner and the Agency have entered into the Loan Documents.

The First Mortgage is being insured by the US Department of Housing and Urban Development ("HUD") pursuant to Section 542(c) of the Housing and Community Development Act of 1992 and the regulations set forth at 24 CFR Part 266 (the "HUD" Risk-Sharing Program).

In addition to the Mortgage Loan, the Owner has obtained and the Agency has approved funding for the Project as follows:

1. A Second Mortgage Loan in the amount of \$4,000,000 from the New Jersey Housing and Mortgage Finance Agency on behalf of the Neighborhood Preservation Balanced Housing Home Express (the "Home Express Program Mortgage");
2. A Third Mortgage Loan from Jersey City in the amount of \$1,300,000 from Jersey City HOME Program funds (the "HOME Mortgage"); and
3. The Owner will provide equity through the sale of Low Income Housing Tax Credits estimated at \$9,768,762 together with equity in the form of cash, deferred developer fee and/or letter of credit in the estimated aggregate amount of \$7,846,687.

Section 3. Residential Rental Property

The Owner hereby represents, covenants, warrants and agrees that:

- (a) The Project shall be owned, managed, and operated exclusively as a multi-family residential rental property and, in the event the Project receives Tax-Exempt Financing, as a Residential Rental Project. The Project shall be comprised of a building or structure or several buildings or structures containing similarly constructed dwelling units, together with any functionally related and subordinate facilities and such other non-dwelling units as approved by the Agency, except that in the event the Project receives Tax-Exempt Financing or Tax Credits, the Project shall consist solely of a Residential Rental Project and no commercial or other facilities may be part of the Project unless permitted by the Agency, the Code or IRS Regulations.

(b) The Project shall contain one or more similarly constructed dwelling units, each of which will contain separate and complete facilities for living, sleeping, eating, cooking and sanitation for a single person or a family including a living area, a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range, refrigerator and sink.

(c) None of the units in the Project will be utilized at any time for an initial lease term of less than six months or as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home, life care facility, trailer court or park.

(d) All of the units shall be rented or available for rent on a continuous basis to members of the general public and the Owner will not give preference to any particular class or group in renting the dwelling units in the Project, except to the extent that dwelling units are required to be leased or rented to tenants as provided under Section 4 of this Agreement.

(e) In the event the Project receives Tax-Exempt Financing or Tax Credits, the Project shall comply with any additional requirements of the Code or IRS Regulations dealing with the residential character of the Project.

Section 4. Occupancy Restrictions Governing Tenant Income

The Owner acknowledges that as a condition of receiving financing pursuant to the Act, there are limits on the maximum income that tenants may earn in order to be eligible to lease, occupy, and/or reside in a unit at the Project. The Owner agrees to comply with the income restrictions as set forth in the Act and the Agency Regulations promulgated under the Act governing income restrictions.

The Owner also acknowledges that, in the event the Project receives Tax-Exempt Financing or Tax Credits, there are additional limits on the maximum income that tenants may earn in order to be eligible to lease, occupy and/or reside in a unit at the Project. In such event, the Owner agrees to comply with the income restrictions as set forth in the Code or IRS Regulations governing income restrictions.

In compliance with the foregoing income restrictions, the Owner agrees to rent 60% percent of the units at the Project (198 units) to tenants whose income does not exceed 60 percent of the area's median income adjusted for family size, as median income is defined by the United States Department of Housing and Urban Development, from time to time, and 40 percent of the units at the Project (132 units) to market rate tenants. All of the units are additionally subject to the occupancy requirements regarding tenant income set forth in the Act and pursuant to N.J.A.C. 5:80-1, et. Seq. The Owner acknowledges that if the income restrictions set forth in this paragraph are more restrictive than the restrictions prescribed under the Act and/or the Code, that the Owner will

abide by such restrictions as an inducement for and part of the consideration for the Agency to make the First Mortgage Loan.

In the event the Project is receiving Tax-Exempt Financing, the Owner hereby represents, warrants and covenants that at all times throughout the Qualified Project Period, not less than 40 percent of the units shall be leased to qualified Low-Income Tenants. For purposes of complying with these requirements, any dwelling unit occupied by an individual or family who is a Low-Income Tenant at the commencement of occupancy shall continue to be treated as if occupied by a Low-Income Tenant even though such individual or family subsequently ceases to be a Low-Income Tenant. The preceding sentence shall not apply to any resident whose income as of the most recent income determination exceeds 140 percent of the income limit applicable to such resident, if after such determination, but before the next determination, any residential unit of comparable or smaller size in the Project is occupied by a new resident whose income exceeds the applicable income limit. If a unit is vacated by an individual or family who qualified as a Low-Income Tenant, such dwelling unit shall be treated as occupied by a Low-Income Tenant until reoccupied (other than for a temporary period of not more than 31 days), at which time the character of the unit shall be redetermined. All dwelling units have been and shall be occupied by or held available for rental only to members of the general public, without regard to race, creed, religion, national origin or sex.

In addition, if the Project is receiving Tax-Exempt Financing, the Owner hereby represents, warrants and covenants that at all times throughout the Qualified Project Period, the Owner shall comply with its representations, warranties and covenants in the Tax Certificate.

In compliance with the HUD Risk-Sharing Program the Owner agrees to rent not less than 40 percent of the units to tenants whose income does not exceed 60 percent of the area's median income adjusted for family size, as median income is defined by US Department of Housing and Urban Development. In the event of a conflict among the above requirements, the most stringent shall apply.

Section 5. Representations, Warranties and Covenants of the Owner

The Owner represents, warrants and covenants that:

(a) The Owner (i) is a limited partnership duly organized and validly existing under the laws of the State of Maryland, duly authorized to transact business in the State of New Jersey and a qualified housing sponsor within the meaning of the Act, (ii) has provided the Agency with a true and complete filed copy of its Certificate of Limited Partnership and its Limited Partnership Agreement, with all amendments to any such documents, (iii) has the power and authority to own its properties and assets including the Project and Land and to carry on its business as now being conducted (and as now contemplated), and (iv) has the power to execute and perform

all the undertakings of this Agreement, and the other Loan Documents.

(b) To the best of the Owner's knowledge after due and diligent inquiry, the execution and performance of this Agreement, the other Loan Documents and other instruments required pursuant to this Agreement by the Owner (i) shall not violate or, as applicable, have not violated, any provision of law, rule or regulations, any order of any court or other agency or government or any provision of any document to which the Owner is a party, and (ii) will not violate or, as applicable, have not violated, any provision of any indenture, agreement or other instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature other than the liens created hereby or permitted hereunder.

(c) All necessary action has been taken by the Owner to authorize the Owner's execution, delivery and performance of the Loan Documents.

(d) The Loan Documents have been duly executed and delivered by the Owner and constitute the valid and legally binding obligations of the Owner, enforceable against the Owner in accordance with their respective terms.

(e) The Owner has, at the time of execution of this Agreement, good and marketable fee simple title to the Project and Land free and clear of any lien or encumbrance, except for Permitted Encumbrances. It will continue to retain ownership of the Project and Land during the term of the First Mortgage, subject to the terms of this Agreement and the other Loan Documents, the Act, the Agency Regulations, and if applicable, the Code or IRS Regulations.

(f) There is no arbitration, mediation or other dispute resolution proceeding now pending or, to the knowledge of the Owner after due and diligent inquiry, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would materially impair its right to carry on business as now conducted, or as contemplated to be conducted under this Agreement, or would materially adversely affect its financial condition.

(g) There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, to the knowledge of the Owner after due and diligent inquiry, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would materially impair its right to carry on business substantially as now conducted, or as contemplated to be conducted under this Agreement, or would materially adversely affect its financial condition.

(h) The operation of the Project in the manner presently contemplated and as described in this Agreement will not conflict with any zoning, water or air pollution or other ordinance, order, law or regulation applicable thereto. The Owner has caused the Project to be

designed in accordance with all Federal, State and local laws or ordinances (including rules and regulations) relating to zoning, building, safety and environmental quality. Further, the Owner has or will receive all necessary governmental approvals and building permits for the Project.

(i) The Owner has filed or caused to be filed by it all Federal, State and local tax returns which are required to be filed by it, and has paid or caused to be paid all taxes as shown on said return(s) or on any assessment received by it, to the extent that such taxes have become due.

(j) The Owner is not in material default in the performance, observance or fulfillment of any other obligations, covenants or conditions contained in any material agreement or instrument to which it is a party.

(k) To the best of its knowledge after due and diligent inquiry, the information contained in the legal description of the Land as set forth in Schedule "A" is accurate in all material respects and does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(l) If the Agency issues Bonds to finance the Project, all information contained in the Preliminary Official Statement and Official Statement as it relates to the Owner, the Project and the Land, as of the date on which the Preliminary Official Statement and Official Statement are furnished to the underwriter, did not and will not contain any untrue statement of a material fact and did not and will not omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. If the Project receives Tax-Exempt Financing, the Owner shall not take or permit any action to be taken which would have the effect, directly or indirectly, of causing interest on any Bonds to be included in gross income for purposes of Federal or State income taxation.

(m) The Owner has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof or the Loan Documents and in any event the Owner acknowledges that the requirements of this Agreement and the other Loan Documents are paramount and controlling as to the rights and obligations therein and shall supersede any other requirements in conflict therewith. The Agency acknowledges that the Owner has or will execute the loan documents relating to the Home Express Mortgage and the Jersey City HOME loan.

(n) All statements contained in all applications, correspondence or other materials as amended from time to time and delivered to the Agency by the Owner in connection with its First Mortgage Loan or relating to the Project and/or the Land are accurate in all material respects and do not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not

misleading.

(o) The Owner will not permit any modification or amendment of the Owner's charter, articles of incorporation or association, by-laws or partnership agreement or other governing instrument or instruments, or a transfer of any stock or ownership interest, which would materially impair its right to carry on business as now conducted, or as contemplated to be conducted under this Agreement.

(p) The representations, covenants and warranties of the Owner contained in this Agreement on the date of its execution are true and shall continue to be true at all times during the term of this Agreement. The Owner has a continuing obligation to notify the Agency if any of the representations, covenants and warranties contained in this Agreement is no longer true.

(q) No event has occurred and no condition exists which constitutes an Event of Default under this Agreement or the other Loan Documents or which, but for a requirement of notice or lapse of time, or both, would constitute such an Event of Default.

(r) A true copy of the entire contract for construction of the Project, with all modifications and addenda to date, has been delivered to the Agency and no default exists under said contract.

(s) The Owner has entered into an agreement with the municipality in which the Land is situated providing for real property tax abatement or payments in lieu of taxes by the Owner with respect to the Project and Land; a true copy of such agreement including any amendments thereto has been furnished to the Agency; such agreement is in full force and effect and no proceedings questioning its validity are pending or threatened.

(t) The Owner has provided the Agency with a 100% payment and performance bond in a form acceptable to the Agency to ensure that the Project has been properly completed in accordance with the plans and specifications and that all contractors, subcontractors, suppliers, materialmen, and vendors performing work on the Project have been paid.

(u) At the time of completion of the construction of the Project, the Owner shall obtain valid releases acceptable to the Agency from all contractors and subcontractors who have performed work on the Project.

Section 6. Environmental Representations, Warranties and Covenants of the Owner

The Owner represents, warrants and covenants as follows:

(a) Neither Owner nor, to the Owner's knowledge, information and belief, based solely on the Phase I Environmental Site Assessment prepared by Brinkerhoff Environmental Services dated May 20, 2003 (the "Environmental Report") dated May 20, 2003, any prior owner or any current or prior tenant, subtenant, or other occupant of all or any part of the Project or Land has used or is using any Hazardous Materials on, from or affecting the Project or Land in any manner that violates any Environmental Law, and no Hazardous Materials have been or will be disposed of or stored on the Project or Land intentionally or unintentionally, directly or indirectly, or by any person whether related or unrelated to Owner.

(b) The Owner has received no notice from any person or entity, public or private, claiming any violation of any Environmental Law with regard to the Project or Land. To the best of the Owner's knowledge, information and belief there have been no claims, litigation, administrative proceedings, whether actual or threatened, or judgments or order relating to any Hazardous Materials, hazardous wastes, discharges, emissions, or other forms of pollution relating to the Project and/or Land.

(c) The Project and Land does not contain any asbestos-containing material in friable form, and there is no current and will be no future airborne contamination of the Project or Land by asbestos fiber, including any potential contamination that would be caused by maintenance or tenant activities in the Project.

(d) To the best of the Owner's knowledge, information and belief based solely on the Environmental Report, there have been no Hazardous Materials, hazardous substances or hazardous wastes, as defined by the Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq. (P.L. 1993, C.112), Spill Compensation and Control Act (N.J.S.A. 58:10-23.11 et seq.), CERCLA as amended (42 U.S.C. Subsection 9601 et seq.), or any other applicable Environmental Laws generated, manufactured, refined, transported, treated, stored, handled, discharged, spilled or disposed of on the Project and/or Land.

(e) There are no underground storage tanks in the Project or on the Land except as disclosed to the Agency in the Environmental Report, a copy of which was provided to the Agency. The Owner agrees to maintain, operate, monitor or close all underground storage tanks strictly in compliance with the applicable Environmental Laws.

(f) There is no lead-based paint hazard at the Project and no lead-contaminated soil on the Land except as disclosed to the Agency in the Environmental Report. The Owner agrees to perform any lead-hazard abatement or remediation activities with the approval of the Agency and strictly in compliance with applicable Federal and State laws and regulations. The Owner of any housing constructed prior to 1978 ("Target Housing") agrees to provide lead warning statements and to disclose known lead-based paint hazards to all tenants and prospective tenants in Target Housing

as required by 42 U.S.C. Section 4852d and the Federal regulations promulgated thereunder.

(g) The Project is not located within "freshwater wetlands" or a "transition area", each as defined by N.J.S.A. 13:9B-3, and will be or has been constructed in compliance with the New Jersey Freshwater Wetlands Protection Act, as amended, N.J.S.A. 13:9B-1 et seq., and the rules and regulations promulgated thereunder.

(h) The Owner will construct, maintain, and operate the Project and Land, and will cause its tenants to use and operate the Project and Land, in compliance with all Environmental Laws.

Section 7. Reporting Requirements

The Owner agrees to comply with the following reporting requirements:

(a) The Owner shall obtain from each tenant, prior to the date of such tenant's initial occupancy in the Project, an income certification in the form required by the Agency, or in the event the Project receives Tax-Exempt Financing and/or Tax Credits, the Owner shall obtain the certification in the form required by the Code or IRS Regulations. The Owner shall obtain income recertifications from each tenant at such times as required by the Act or the Agency Regulations or, if applicable, the Code or IRS Regulations.

(b) The Owner shall file with the Agency, (i) on the fifth day of each month, copies of the initial occupancy income certifications specified in Section 7(a) hereof obtained by the Owner during the previous month and (ii) within 45 days of the end of each calendar year copies of the recertifications specified in Section 7(a) hereof, or at such other times as required by the Act or the Agency Regulations or, if applicable, the Code or IRS Regulations.

(c) The Owner shall maintain complete and accurate records beginning with the date of initial occupancy pertaining to the income of each tenant and rent charged to tenants residing in the Project, and shall permit, with or without notice to the Owner, any duly authorized representative of the Agency to inspect the books and records of the Owner pertaining to the incomes of and rent charged to all tenants residing in the Project.

(d) The Owner shall maintain and/or provide to the Agency such other reports, records and information as required by the Act, the Agency Regulations or, if applicable, the Code or IRS Regulations.

(e) In the event the Project is receiving Tax-Exempt Financing, the Owner shall submit to the Secretary of the United States Department of the Treasury, at such time and in such

manner as the Secretary shall prescribe, an annual certification as to whether the Project continues to meet the requirements of Section 142(d) of the Code. A copy of such certification shall be sent to the Agency.

Section 8. Covenants to Run With the Land

(a) The Agency and the Owner hereby declare their understanding and intent that the burden of the covenants, reservations and restrictions set forth in this Agreement touch and concern the Land in that the Owner's legal interest in the Project and Land is rendered less valuable thereby. The Agency and the Owner hereby further declare their understanding and intent that the benefit of such covenants, reservations and restrictions touch and concern the Project and Land by enhancing and increasing the enjoyment and use of the Project and the Land by the tenants, contemplated under this Agreement and by furthering the public purposes for which the First Mortgage Loan is made and the Bonds, if any, are to be issued. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project and Land. Except as provided in subsection (b) below, the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the Land and hereof and shall pass to and be binding upon the Owner's assigns and successors in title to the Land or Project. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or the Land or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. If a portion or portions of the Project or Land are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Project and Land.

(b) Upon termination of this Agreement in accordance with Section 9 hereof, said covenants, reservations and restrictions shall expire and in such event, the Agency shall, at the expense of the Owner, execute any and all instruments reasonably required to evidence of record the satisfaction, cancellation and discharge of this Agreement.

Section 9. Term

This Agreement shall remain in full force and effect until all indebtedness from the Owner to the Agency with respect to the Project shall have been paid in full in accordance with the provisions of this Agreement, the First Mortgage Note, and the other Loan Documents, provided however that (a) if the First Mortgage Loan is prepaid, this Agreement shall remain in effect as provided in the Agency Regulations governing prepayment, and (b) if the Project is receiving Tax-Exempt Financing, this Agreement shall remain in full force and effect for a period not less than the Qualified Project Period.

Section 10. Construction and Funding

A. Construction of Project

The Owner covenants and agrees to comply with all the provisions of the Construction Contract. The Owner covenants and agrees to diligently pursue the construction of the Project to completion by the date of completion in the Construction Contract, time being of the essence, in accordance with the plans and specifications for the Project set forth in the Owner's First Mortgage Loan application and the Construction Contract and as approved by the Agency.

The Owner shall not approve or allow to occur any change in the plans and specifications for the Project or any change order under the Construction Contract except with the prior express approval of the Agency in the manner provided in the Construction Contract. Construction of the Project shall at all times be subject to the discretionary inspection, discretionary review, regulation and approval of the Agency and its duly authorized representatives as provided in the Construction Contract. Any such inspection, regulation, review or approval of the Agency shall be solely for its benefit for the purpose of assuring that the programs and goals of the Agency are being fulfilled and, when applicable, for the benefit of the holders of Bonds under the Resolution and in furtherance of its obligations under the Act and shall not be construed as making the Agency a party to the Construction Contract, nor shall it relieve the Owner of any of its obligations under this Agreement, the Construction Contract or Loan Documents.

Pursuant to the Act the Owner agrees that it will not pay nor will it permit any contractor or subcontractor engaged in the construction of the Project to pay any workers employed on the construction of the Project less than the prevailing wage rate as determined by the Commissioner of Labor and Industry pursuant to, and in accordance with, the New Jersey Prevailing Wage Rate Act, N.J.S.A. 34:11 et seq., to the extent that said Act applies.

The Construction Contract provides for performance and payment bonds in favor of the Agency and the Owner. The Owner shall not do any act which would cause the release, in whole or in part, of the surety bond or bonds issued in connection with the Construction Contract, including, without limitation, deviation from the payment schedule, waiver of any requirements imposed on the general contractor or any subcontractor under the Construction Contract or consent to any change in the plans and specifications or scope of the work, unless such act would not cause any release because the surety has consented thereto.

The Owner covenants and agrees to notify the Agency within ten (10) business days of the occurrence of any default under the Construction Contract or the Loan Documents.

B. Funding of Construction

Upon and subject to the terms and conditions of this Agreement, the First Mortgage and the First Mortgage Note, the Agency agrees to advance to the Owner in successive advances as described herein the lesser of: (1) Thirty Eight Million Three Hundred Sixty Five Thousand Five Hundred Sixty Eight Dollars (\$38,365,568), or (2) 90% of the cost of the Project as established by the Agency in accordance with its normal procedures for auditing or otherwise verifying Project cost.

The Owner agrees to contribute equity toward the construction of the Project as may be required pursuant to Section 42 of this Agreement and to pay all cost overruns related to the construction and completion of the Project.

The Owner covenants and agrees, upon completion of the Project, to certify to the Agency the actual cost of the Project. This cost as certified by the Owner shall be audited and verified by the Agency in accordance with its normal procedures. In the event that the amount advanced on the First Mortgage Loan shall exceed 90% of the cost of the Project, the Owner shall pay forthwith to the Agency as an allowed partial prepayment of the First Mortgage Loan, the amount of such excess, as determined by the Agency. When the Agency has completed its audit and verification, it shall promptly notify the Owner in writing of the actual Project cost as finally determined by the Agency.

C. Procedures for Advances

The Owner shall establish a Project construction account with a bank or trust company in the State of New Jersey approved by the Agency and which is a member of the Federal Deposit Insurance Corporation, which account shall be under the joint control of the Owner and the Agency, but which shall also allow the Agency to unilaterally withdraw funds from said account for payment back to the Trustee or the Agency for construction interest payments, debt service payments, escrow requirements, Servicing Fees or other costs for construction of the Project or for any time that funds remain in the account for more than ninety (90) days, upon the provision of written notice to the Owner of its actions. Advances shall be deposited directly to such Project construction account.

The final advance shall be made only after the Agency has completed its cost certification for the Project in accordance with the Agency's normal procedures and only after the Agency has received a Certificate of Occupancy from the Owner for all dwelling units in the Project.

Advances during construction will normally be made once a month in an amount sufficient to pay the applicable percentage of Contractor's and/or Owner's requisitions (less retainage) for the cost of construction of the Project then due and payable under the terms of the Construction Contract and approved by the Agency, but advances may be made at such other times or intervals as may be determined by the Agency.

D. Conditions Precedent to Advances

The Agency's obligation to make each advance under the First Mortgage shall be subject to the requirements of the Resolution, and to the satisfaction of the following conditions precedent, any of which may be waived in whole or in part by the Agency:

1. each of the Owner's covenants, agreements, representations and warranties contained in this Agreement shall continue to be true and shall not have been breached as of the date of each advance;
2. the full amount of all previous advances shall have been expended for Project costs approved by the Agency;
3. all work performed and material furnished for the Project shall be in accordance with the plans and specifications for the Project and all work shall have been properly performed to the satisfaction of the Agency;
4. no event shall have occurred and no conditions shall exist which would prevent the advance from becoming a valid first mortgage lien on the Project and Land or secured by a prior perfected security interest on all other collateral mentioned in the First Mortgage. If the Agency shall deem it necessary or desirable, all or part of any advance may be disbursed in escrow to a title insurance company licensed to do business in the State of New Jersey for the purposes of discharging any construction or other lien on the Project and Land or on any other security mentioned in the First Mortgage; and
5. the Agency shall have received a currently dated, certified survey of the Land showing that the Project construction is within the Land (and any required setbacks) and does not encroach on the property of others, which survey shall only be required as a condition precedent to the first and final advances.

The Owner agrees to certify, in writing, that the foregoing conditions have been satisfied.

Section 11. Insurance; Condemnation

During the term of the First Mortgage Loan, the Owner shall cause all the buildings on the premises and the fixtures and articles of personal property covered by the First Mortgage to be insured against loss by fire and against loss by such other hazards as may be required by the Agency for the benefit of the Agency including, but not by way of limitation, flood insurance if any part of the Project is located in an area designated by or on behalf of the Federal government as having

specific flood hazard. Such insurance shall be written by such companies, in such forms as are satisfactory to the Agency, in an amount not less than the full replacement value of the Project. The Owner shall assign and deliver the policies to the Agency. The Agency shall be listed as mortgagee, loss payee and additional insureds under such policies. Such policies shall provide that the insurer may not cancel the policy and will not refuse to renew the policy except after thirty (30) days written notice to the Agency. If the Agency shall not receive evidence satisfactory to it of the existence of effective insurance coverage as required by the Agency, the Agency may (but shall not be required to) obtain such coverage, and the Owner shall reimburse the Agency on demand for any premiums paid for insurance procured by the Agency, and until so reimbursed the amount of such premiums shall be added to the principal sum as defined in the First Mortgage Note and shall bear interest at the interest rate in the First Mortgage Note.

If the Project shall be damaged, destroyed or taken by condemnation (in whole or in part), the Agency shall direct the Owner to promptly reconstruct the Project to substantially the same condition as existed prior to such damage, destruction or condemnation, with such changes, alterations and modifications as may be desired by the Owner and approved by the Agency, provided that the plans and specifications for reconstruction of the Project are approved by the Agency and, in the Agency's determination, the proceeds of the insurance or of the damages or award received as a consequence of such damage, destruction or condemnation, together with any other money available for such purpose, are sufficient to pay the cost of such reconstruction and upon completion of the reconstruction of the Project it shall be financially feasible.

In the event of reconstruction of the Project, the Agency, upon receipt of a written request by the Owner that payments are required for such purpose, shall apply so much as may be necessary of such proceeds of the insurance and any investment income earned thereon to the payment of the costs of such reconstruction as such work progresses.

No money shall be disbursed to pay the costs of reconstruction unless no Event of Default exists hereunder and unless the Agency first shall have received all of the following:

(a) a certificate from the Owner to the effect that:

(1) the full amount of such disbursement and all of the prior disbursements constitute proper and reasonable costs of reconstruction work performed or materials delivered to the site of the Project;

(2) all work performed and material furnished for the reconstruction of the Project have been in accordance with plans and specifications; and

(3) all such work has been performed to the satisfaction of the architect

retained to prepare the plans and specifications for reconstruction of the Project.

(b) appropriate insurance from a title insurance company, licensed to do business in the State and acceptable to the Agency, insuring that there are no liens or encumbrances on the Project other than Permitted Encumbrances;

(c) if the location of any improvement is to be altered, a currently dated, certified survey showing that all improvements are on the Land within any required set-backs and do not encroach on the real property of others; and

(d) a certificate signed by the Owner that the Project remains financially feasible.

If in the Agency's determination, the proceeds of the insurance or of the damages or award received as a result of damage, destruction or condemnation together with any other money available for such purpose are not sufficient to pay the cost of reconstruction or if the Project will not be financially feasible upon such reconstruction, then the proceeds of such insurance shall be applied to the indebtedness on the First Mortgage Loan. Nothing in this Section shall affect the lien of this Agreement and the First Mortgage Loan or the liability of the Owner for payment of the entire balance of the First Mortgage Loan.

The Owner shall maintain continuously in effect such other insurance coverage of the types and in the amounts specified by the Agency, including worker's compensation insurance and other insurance required by law with respect to employees of the Owner, and liability insurance with limits of not less than \$5,000,000 per accident or occurrence on account of personal injury, including death resulting therefrom, and \$5,000,000 per accident or occurrence on account of damage to the property of others, and a blanket excess liability policy in an amount not less than \$2015,000,000, protecting the Owner and the Agency against any loss or liability or damage for personal injury or property damage with respect to the Project. The Owner shall also maintain use and occupancy insurance covering loss of revenues derived from the Project by reason of interruption, total or partial, of the use of the Project resulting from loss or physical damage thereto in an amount not less than one year's gross rental income. The Owner shall carry fidelity bond insurance covering all employees of the Owner authorized to handle the revenues derived from the Project in an amount equal to one and one-half times the maximum monthly rent roll.

In the event the Project receives financing from proceeds of Bonds, the Owner covenants and agrees to provide such additional insurance coverage as required in the Resolution.

Section 12. Taxes, Payments in Lieu of Taxes and Other Municipal Charges

The Owner covenants and agrees to pay all taxes, payments in lieu of taxes, assessments,

water charges, sewer charges, and other charges imposed on the Project or Land by the municipality, county, State or other governmental body having jurisdiction over the Project. If such charges are not paid by the Owner, the Agency may pay the same. Any such sum(s) so paid by the Agency shall be payable by the Owner on demand by the Agency and until paid the amount of such sums shall be added to the principal sum as defined in the First Mortgage Note, and shall bear interest at the interest rate in the First Mortgage Note.

Section 13. Liens and Encumbrances

The Owner covenants and agrees to maintain its right, title and interest in the Project, Land and all items enumerated in the First Mortgage, as security for repayment of the First Mortgage Loan, free and clear of all liens, security interests and other encumbrances except for Permitted Encumbrances and those exceptions identified and set forth in a certain title insurance commitment issued to the Agency by Chicago Title Insurance Company, dated December 12, 2003 and identified as Title #2403-80021, continued to the date of this Agreement, as accepted by the Agency. The foregoing covenant and agreement shall not prevent the Owner from leasing or renting the Project or Land in the manner as otherwise provided in this Agreement. Except with the written consent of the Agency, the Owner will not install any item of tangible personal property as part of the fixtures or furnishings of the Project which is subject to a purchase money lien or security interest.

The Agency may, at its sole option, pay the amount necessary to discharge any lien or other encumbrance, and the Owner shall reimburse the Agency upon demand for any amounts so paid. Until reimbursement of the Agency of any amounts so paid, such amount shall be added to the principal sum as defined in the First Mortgage Note and shall bear interest at the interest rate in the First Mortgage Note.

Section 14. Maintenance, Repair and Replacement

The Owner covenants and agrees to maintain the Project and the Land, including, but not limited to, the dwelling units contained therein, any related facilities, the appurtenant equipment and grounds in good repair and condition so as to provide decent, safe and sanitary housing accommodations. In the event that any investigation, site monitoring, containment, clean-up, removal, restoration, remediation, or other remedial work of any kind or nature (the "Remedial Work") is required under any applicable Environmental Laws at, on, about, under or within the Project or Land, the Owner agrees to commence and diligently perform and complete such Remedial Work in compliance with all applicable Environmental Laws, at its own expense. In the event the Owner shall fail to timely commence, perform and complete such Remedial Work, the Agency may, at its sole and absolute discretion, cause such Remedial Work to be performed and the Owner shall reimburse the Agency upon demand for all costs incurred by the Agency in connection with the performance, completion and monitoring of such Remedial Work. Until reimbursement of the

Agency of any costs so incurred, such amount shall be added to the principal sum as defined in the First Mortgage Note and shall bear interest at the interest rate in the First Mortgage Note.

The Owner will not make any substantial alteration in the Project without the consent of the Agency, nor will the Owner permit the removal of any fixtures or articles of personal property, except with the consent of the Agency and in connection with the replacement thereof with appropriate property of at least equal value that is free of all liens or claims.

The Owner will not demolish any part of the Project, substantially subtract from or permit any waste of the real or personal property comprising the Project or Land, or make any alteration which will increase the hazard of fire or other casualty.

Section 15. Advance Amortization Payments

Because the public purposes of the Agency include maximizing the period during which the dwelling units in the Project are available to persons whose incomes do not exceed the maximums provided by the Act, the Agency Regulations, and if applicable, the Code or IRS Regulations, the Owner shall not make any advance principal repayment except as allowed by the Agency Regulations and if the Project is financed by Bonds, as allowed under the Resolution. With respect to any advance amortization payment, if the Agency shall have consented thereto, the Owner shall, if the First Mortgage Loan is financed from Bonds, pay to the Agency an amount sufficient (a) to enable the Agency to redeem Bonds of the appropriate series in the principal amount as required under the Resolution, (b) to pay the interest accrued and to accrue on the Bonds to be redeemed to the redemption date thereof, (c) to pay the redemption premium, if any, on the Bonds to be redeemed, (d) to pay the cost and expense of the Agency in effecting the redemption of the Bonds to be redeemed including legal fees of the Agency, as determined by the Agency, including any investment shortfall resulting from liquidation of investments, and (e) to pay any other cost, expense and liability incurred by the Agency in connection with the financing of the Project and issuance of its Bonds for such purpose not previously paid or provided for by the Agency including, without limitation, underwriting discount or other unamortized Bond discount; provided, however, that only the amount of such advance amortization payment applied as provided in (a) above shall be credited against the unpaid balance of the First Mortgage Loan.

Section 16. Reserve and Escrow Payments

On the date of the execution of this Agreement, the Owner will deposit with the Agency the full amount required for the Working Capital Account set forth in the Working Capital Disbursement Agreement of even date herewith. The required Working Capital Account funding is \$1,896,687 comprised of cash in the amount of \$1,000,000 and an irrevocable letter of credit in the amount of \$896,687. The Working Capital Account shall be used to pay operating expenses, including debt

service, until such time as the Project achieves Stabilized Occupancy as defined in the Working Capital Disbursement Agreement;

Commencing with the Amortization Date, as defined in the First Mortgage Note, and on the first day of each month thereafter, the Owner will pay to the Agency, along with the monthly Servicing Fee, principal and interest payments, the following:

(a) an initial deposit equal to one-half (1/2) of the estimated annual insurance payments and on the first of each month one-twelfth (1/12) of the estimated annual amounts necessary to pay insurance premiums; and

(b) an amount equal to one-quarter (1/4) of the estimated annual real property taxes or payments in lieu of taxes and on the first of each month one-twelfth (1/12) of the estimated annual amounts necessary to pay taxes or payments in lieu of taxes;

(c) the sum of \$35,968 to be held by the Lender in the Mortgage Insurance Premium ("MIP") escrow. This sum represents one quarter (1/4) of the first annual MIP payment payable to HUD. Simultaneously, the Borrower shall also pay the Lender the first annual MIP payment of \$143,871. On the first day of each month thereafter, the Borrower shall deposit with the Lender an amount equal to one-twelfth (1/12) of the next pending annual MIP payment. Subsequent annual MIP payments shall be recalculated on the anniversary of the Amortization Date and shall be equal to the sum of the next 12 principal payments due under this Note, divided by 12, then multiplied by 0.0375.

(d) one-twelfth (1/12) of the amount as the Agency may determine pursuant to its established management policy as a reserve for repairs and replacements (the repair and replacement account funding currently required is \$400 per rehab unit per year (\$32,800) plus \$350 per new unit per year (\$86,800). $\$32,800 + \$86,800 = \$119,600 / 12 = \$9,966.67$ per month); and

(e) one-twelfth (1/12) of the annual Principal, interest and Servicing Fee due under the First Mortgage Loan. When the Mortgage is paid in full, escrows, to the extent not needed for Project costs, will be refunded to the Owner.

All reserve and escrow payments required pursuant to this Section shall be held in accounts under the sole control of the Agency and shall be paid out for the benefit of the Project as needed on request of the Owner or on the Agency's own initiative. Any interest that may be earned on such reserves shall remain in the escrow accounts and shall be used for similar purposes unless the Owner and Agency mutually agree to apply the funds to some other Project purpose.

If the Agency determines that the payments specified herein are insufficient to insure prompt

payment of debt service, taxes, payments in lieu of taxes, insurance premiums, MIP payments, or to properly fund painting, decorating, repair and replacement needs with respect to the Project, then the Agency may require increases in the required payments necessary to assure proper funding.

Section 17. Compliance Requirements

The Owner covenants and agrees to comply with the Act and the Agency Regulations, and with any amendments or supplements to the Act or Agency Regulations. If the Project receives Tax-Exempt Financing or Tax Credits, the Owner covenants and agrees to comply with the Code or IRS Regulations and with any amendments or supplements to the Code or IRS Regulations, and, in addition, if the Project receives Tax-Exempt Financing, the Owner shall comply with its representations and covenants in the Tax Certificate throughout the term hereof.

The Owner acknowledges that the proceeds of the First Mortgage Loan have been or are expected to be funded through the issuance of Bonds. The Owner agrees that it will execute and be bound by any amendments to this Agreement or the other Loan Documents and any additional documents as may be required by Qualified Bond Counsel for the issuance of the Bonds and/or to comply with the Code or IRS Regulations. The Owner further agrees to comply with any other requirements of the Agency that Qualified Bond Counsel reasonably believes to be necessary in connection with its marketing and issuance of Bonds. To the extent any amendments, modifications or changes to the Code or IRS Regulations shall, in the written opinion of Qualified Bond Counsel, impose requirements upon the construction, rehabilitation, ownership, occupancy or operation of the Project, the parties agree that this Agreement and/or the other Loan Documents shall be amended and modified in accordance with such requirements. The parties hereto agree to execute, deliver, and record, if applicable, any and all documents or instruments necessary in the opinion of and in the form approved by Qualified Bond Counsel to effectuate the intent of this Section.

If the Project receives financing from proceeds of Bonds, the Owner acknowledges receipt of the Continuing Disclosure Agreement, and the Owner agrees that in the event it subsequently becomes an "Obligated Person" meeting the objective criteria set forth in the Continuing Disclosure Agreement, it shall provide the Agency with the Obligated Person Data (as defined in the Continuing Disclosure Agreement) and the audited general purpose financial statements referred to in the Continuing Disclosure Agreement at the times necessary so as to allow the Agency to file the Annual Reports provided for in the Continuing Disclosure Agreement.

The Owner and Agency acknowledge that the Owner is receiving Tax-Exempt Financing and is receiving Tax Credits. Accordingly, the Owner acknowledges that ~~all~~ of the provisions concerning Tax-Exempt Financing are applicable and that ~~all~~ of the provisions concerning Tax Credits are applicable.

The Owner further covenants and agrees to comply with all applicable requirements of the HUD Risk-Sharing Program as set forth in Section 542 of the Housing and Community Development Act of 1992 and regulations promulgated hereunder. Not by way of limitation of the foregoing, the Owner covenants and agrees that so long as the First Mortgage is insured pursuant to the HUD Risk-Sharing Program it shall:

(a) not use tenant selection procedures that discriminate against families with children, except in case of a project that constitutes housing for older persons as defined in Section 807(b) of the Fair Housing Act (42 U.S.C. 3607 (b) (2));

(b) not discriminate against any family because of the sex of the head of household;

(c) comply with the Fair Housing Act, as implemented by 24 CFR part 100; Titles II and III of the Americans with Disabilities Act of 1990, as implemented by 28 CFR part 35; section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), as implemented by 24 CFR part 135; the Equal Credit Opportunity Act, as implemented by 12 CFR part 202; Executive Order 11063, as amended, and implemented by 24 CFR part 107; Executive Order 11246, as implemented by 41 CFR part 60; other applicable Federal laws and regulations issued pursuant to these authorities and applicable State and local fair housing and equal opportunity laws.

Section 18. Lease of Dwelling Units - Maximum Rents

The Owner shall offer dwelling units for lease and occupancy in strict accordance with the Act or Agency Regulations governing tenant marketing, eligibility and selection. The form of lease to be used by the Owner in leasing to residential tenants shall be previously approved by the Agency and shall comply in all respects with the Agency Regulations and the requirements of the Agency. Initial rents may not exceed such amounts as approved by the Agency. In the event the Project receives Tax-Exempt Financing or Tax Credits, rents may not exceed such amounts as prescribed by the Code or IRS Regulations. The form and terms of all leases for any other portion of the Project and/or Land, if permitted under this Agreement, are subject to the prior consent of the Agency. Rent increases for any dwelling unit shall be made pursuant to procedures prescribed by the Agency Regulations, or if applicable, the Code or IRS Regulations.

Section 19. Consideration for Lease

The Owner covenants and agrees not to require as a condition of the occupancy or leasing of any dwelling unit in the Project and not to accept or allow any employee or agent to accept any consideration other than the prepayment of the first month's rent plus a security deposit not in excess of one and one-half (1 and $\frac{1}{2}$) month's rent or such lesser amount as may be mandated by HUD, unless otherwise approved in writing by the Agency to guarantee the performance of the covenants of

the lease or occupancy agreement.

Section 20. Tenant Security Deposit

The Owner covenants and agrees to deposit all monies paid to the Owner by any residential tenant as a security deposit for the payment of rent in a separate interest bearing bank account held and maintained in accordance with applicable law and instructions of the Agency as to its custody and control.

Section 21. Account for Project Revenues

The Owner covenants and agrees to establish an account for Project revenues with a bank or trust company or savings and loan institutions approved by the Agency and maintaining an office within the State, the deposits of which are insured by the Federal Deposit Insurance Corporation. "Project Revenues" shall mean all rents and other revenues of any type whatsoever received in respect of the Project or the Owner, except for advances of the First Mortgage Loan. Project Revenues shall be deposited in such account. If the Agency so elects, this account shall be under the joint control of the Agency and the Owner, with all withdrawals requiring a countersignature by one of the authorized representatives of the Agency.

The Owner may not withdraw or use Project Revenues except to pay debt service due under the First Mortgage Note, the Servicing Fee or other Project expenses approved by the Agency or return on investment payments due under Section 42 hereof. Project Revenues may not be transferred to or invested in any other accounts or investment vehicles, except as permitted by Agency Regulations.

Section 22. Inspection of Premises

The Owner covenants and agrees to permit the Agency, its agents or representatives to enter upon and inspect the Project without prior notice, pursuant to the provisions of the Act.

Section 23. Books and Records

The Owner covenants and agrees to maintain adequate books and records of its transactions with respect to the Project in the form required by the Agency. Such books and records shall be available for inspection and audit by the Agency or its agents at any time during business hours, with or without notice, pursuant to the provisions of the Act. The Owner further covenants and agrees to cause its financial affairs to be audited at least annually by independent certified public accountants and shall furnish the Agency with the audit report of such accountants when received and in any event within three (3) months of the close of each of its fiscal years. The Owner shall adopt and use

such uniform systems of accounts and records as may from time to time be required by the Agency.

Section 24. Management Contract

The Owner may, and if the Agency so elects, shall, contract for the services of a firm experienced in real estate management to act as the managing agent for the Project. The selection of any such managing agent, the scope of the agent's duties and the basis of the agent's compensation shall be subject to the approval of the Agency, and any contract for the employment of any managing agent shall provide that such contract may be terminated by the Agency at any time by notice of such determination by the Agency given to the Owner and managing agent.

Section 25. Prohibited Actions

Except with the express approval of the Agency and in accordance with the Agency policies in the Property Management Policy Manual, the Owner shall not:

- (a) incur any liabilities except in connection with the acquisition, construction, rehabilitation, repair, improvement and rental of the Project and Land, and its operation and maintenance;
- (b) engage in any business activity except the ownership and operation of the Project and Land;
- (c) enter into contracts to be paid from Project Revenues, as defined in Section 21 above, for managers, attorneys, accountants, or other services without the prior written approval of the Agency;
- (d) pay more than the fair market value thereof for goods or services;
- (e) transfer or invest project revenues in any other accounts or investment vehicles, except as permitted by Agency Regulations; or
- (f) pay compensation from Project Revenues to any officer, director, member, partner, or shareholder in his capacity as such or make any cash distribution to any of the foregoing; provided, however, that if no Event of Default has occurred, the Owner may make distributions of a return on investment in an amount not to exceed the amount permitted under the Act, the Agency Regulations, and then only to the extent of its retained earnings not previously distributed, or as otherwise approved by the Agency. The Owner, however, shall not make any distribution payment without the express agreement of the Agency that retained earnings (or other funds) are available for such distribution. The Agency shall make its best efforts to respond to a request for a distribution

within thirty (30) days of receipt of a fully documented request. To the extent return on investment has been earned but is unavailable for distribution in a given year, the Owner may thereafter apply semiannually for such distributions to the extent there is available cash in accordance with Agency Requirements. All requests may be made only after receipt and approval of the annual certified audit.

Section 26. Change of Owner Status

The Owner shall not dissolve, liquidate, sell, transfer, convey or exchange the Project and/or Land or any portion thereof without prior approval of the Agency and the Owner's compliance with the Agency Regulations. The Owner shall not dissolve, liquidate, sell, transfer, convey or exchange any shares, partnership or other ownership interest in the Owner except in accordance with the Agency Regulations. The Agency acknowledges the right of the investor limited partner entity to make changes within the investor limited partner entity. The Owner shall notify in writing and obtain the agreement in writing of any buyer or successor or other person acquiring the Project or Land or any interest therein, in a form acceptable to the Agency, that such acquisition is subject to the requirements of the Loan Documents, Act and Agency Regulations and, if applicable, the Code or IRS Regulations. This notice provision shall not act to waive any other Agency restriction on such dissolution, liquidation, sale, transfer, conveyance or exchange.

Section 27. Estoppel

Within ten (10) business days of demand by the Agency, the Owner will furnish to the Agency in writing a statement of the outstanding balance of the principal sum plus all the accrued interest remaining due on the First Mortgage Loan, together with a statement of any defenses which may exist as to any liability of the Owner on the First Mortgage Note, or otherwise hereunder.

Section 28. Financing Statements

The Owner hereby irrevocably authorizes the Agency to execute on its behalf one or more UCC-1 Financing Statements or renewals thereof in respect of any of the security interests granted by the First Mortgage or the Security Agreement. The Owner hereby assigns all its rights and interests in accounts established under this Agreement to the Agency, to the extent that such interest may be needed, pursuant to this Agreement. Upon demand by the Agency, the Owner shall execute one or more UCC-1 Financing Statements or renewals thereof.

Section 29. Assignment

The Owner transfers and assigns to the Agency all of its right, title and interest, but not its liability, in, under, and to all construction, architectural and design contracts, all architectural design

plans and specifications and all government permits, licenses and approvals for the construction of the Project (the foregoing collectively referred to as the "Plans and Approvals"). The owner represents and warrants that the copies of the Plans and Approvals delivered to the Agency are and shall be true and complete copies of the Plans and Approvals, that there have been no modifications thereof which are not fully set forth in the copies delivered, and that the Owner's interest therein is not subject to any claim, setoff, or encumbrance. Neither this assignment nor any action by the Agency shall constitute an assumption by the Agency of any obligation under or with respect to the Plans and Approvals; the Owner shall continue to be liable for all obligations of Owner with respect thereto; and the Owner hereby agrees to perform all of its obligations under the Plans and Approvals.

The Owner hereby consents to any assignment of the Agreement by the Agency. No assignment or delegation of this Agreement by the Owner is permitted unless approved in writing by the Agency. If assigned, all rights, duties, obligations and interest arising under this Agreement shall bind and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

Section 30. Defaults

Each of the following shall be an Event of Default, provided that such event shall remain ongoing and uncured beyond any applicable cure period:

(a) failure by the Owner to pay more than ten (10) days after the due date any installment of principal or interest under the First Mortgage Note, or on the Servicing Fee or any other payment required by the Owner to the Agency or any other person pursuant to the terms of this Agreement, the First Mortgage Note, or the other Loan Documents;

(b) commission by the Owner of any act prohibited by the terms of this Agreement, or the other Loan Documents, or failure by the Owner to perform or observe in a timely fashion any action, obligation or covenant required by any of the terms of this Agreement or the other Loan Documents or failure by the Owner to produce satisfactory evidence of compliance therewith. The events set forth in this subsection shall not constitute Events of Default until the prohibited acts or failure to perform or observe shall remain uncured for a period of thirty (30) days after the Agency's written notice to the Owner, specifying such prohibited act or failure and requesting that it be remedied, unless the Agency shall agree in writing to an extension of such time prior to its expiration; provided, however, that if the prohibited act or failure stated in each notice is correctable, but cannot be corrected within the 30-day period, the Agency may consent to an extension of up to 120 days from the delivery of the written notice referred to herein if corrective action is instituted by the Owner within the initial 30-day period and diligently pursued;

(c) the filing by the Owner under any Federal or State bankruptcy or insolvency law or other similar law, or any petition in bankruptcy or for reorganization or composition with creditors or the making of an assignment for the benefit of creditors;

(d) the filing against the Owner of a petition seeking an adjudication as a bankrupt or the appointment of a receiver for the benefit of its creditors which shall not have been dismissed within forty-five (45) days of the filing thereof, or the adjudication of the Owner as a bankrupt or the appointment of a receiver for the benefit of its creditors; or the appointment by court order of a custodian (such as a receiver, liquidator or trustee) of the Owner or of any of its property or the taking of possession of the Owner or any of its property for the benefit of its creditors and such order remains in effect or such possession continues for more than forty-five (45) days;

(e) the occurrence of substantial destruction of the Project by an uninsured casualty or the inability to replace or restore the Project in accordance with Section 11;

(f) any representation in conjunction with the Loan Documents or the Project by or on behalf of the Owner which is false or misleading in any material respect or any covenant, warranty, or representation of the Owner which is breached;

(g) any occurrence which results in the dissolution or liquidation of the Owner pursuant to the formation documents of the Owner;

(h) failure to comply with applicable provisions of the Act, the Agency Regulations, and if applicable, the Code or IRS Regulations;

(i) failure to substantially complete the Project pursuant to the Construction Contract.

Section 31. Remedies

Upon the occurrence of any Event of Default, the Agency may at its option take any one or more of the following actions or remedies and no failure or delay to exercise any remedy or take any action enumerated shall constitute a waiver of such right or preclude a subsequent exercise by the Agency of any such remedy:

(a) declare the outstanding balance of the principal sum under the First Mortgage Note plus all accrued interest, the Servicing Fee and all other liabilities of the Owner under the Loan Documents to be immediately due and payable;

(b) cease making disbursements from reserves held by the Agency;

(c) apply any reserves held by the Agency or the balance in the accounts for Project Revenues or any combination of these monies to the payment of the Owner's liabilities under the Loan Documents;

(d) foreclose the lien of the First Mortgage on the Project and Land including, without limitation, all improvements existing or hereafter placed in or on the Project and Land. In any action to foreclose, the Agency shall be entitled to the appointment of a receiver of the rents and profits of the Project as a matter of right, with power to collect the rents, uses, and profits of the Project, due and becoming due during the pendency of such foreclosure suit, such rents and profits being hereby expressly assigned and pledged as additional security for the payment of the indebtedness secured by the First Mortgage without regard to the value of the Project or the solvency of any person or persons liable for payment of the mortgaged indebtedness. The Owner, for itself and any such subsequent owner, hereby waives any and all defenses to the application for a receiver as above and hereby specifically consents to such appointment, but nothing herein contained is to be construed to deprive the holder of the First Mortgage of any other right, remedy or privilege it may now have under the law to have a receiver appointed. The provisions for the appointment of a receiver of the rents and profits and the assignment of such rents and profits are made express conditions upon which the First Mortgage Loan is made. Upon such foreclosure the Agency shall have the right to have a receiver appointed for the Project and the rent from the Project;

(e) take possession of the Project;

(f) without judicial process, collect all rents and other revenue including Federal and State subsidies as the assignee of the Owner, and apply the same, at the Agency's option, either to the operation and maintenance of the Project or to the liabilities of the Owner under the Loan Documents and to accept assignment of leases;

(g) act as landlord of the Project and rent or lease the same on any terms or dispossess by summary proceedings or other available means any tenant defaulting under the terms of the lease of a dwelling unit;

(h) take possession of equipment, appliances and other tangible personal property in which a security interest has been granted by the Loan Documents and dispose of the same in any commercially reasonable manner. The Agency shall have the option to dispose of any such equipment and personal property either separately from the Project or Land. In conjunction with a sale of the Project or Land, the Owner agrees that either method of disposition shall be commercially reasonable;

(i) sue under or make effective an assignment by the Owner to the Agency of any

warranty for the Project or any contract for construction, rehabilitation, repair, renovation, reconstruction or improvement of the Project, in which event the Agency is specifically empowered by the Owner to exercise any and all rights of the Owner under the said contract or warranty to recover any amount payable to the Owner pursuant to the contract or any such warranty and to settle any such claim or liability and release the same and apply the proceeds of any such suit, settlement or release to the liabilities of the Owner under the First Mortgage Note, this Agreement, or the other Loan Documents;

(j) sue the Owner for mandatory injunction or other equitable relief requiring performance by the Owner of any of its obligations under this Agreement or the other Loan Documents. The Owner agrees with the Agency that the Agency's remedy at law for the violation and nonperformance of the Owner's obligations under this Agreement or the other Loan Documents is not adequate by reason, among other things, of the Agency's public purpose to provide adequate, safe and sanitary dwelling units for the tenants contemplated under this Agreement;

(k) replace the general partner, officers, managers, directors, managing members or partners of, or other persons exercising control over the affairs of the Owner with such person or persons as the Agency in its sole discretion deems advisable, including officers or employees of the Agency, who shall exercise all of the authority of managing general partner or other manager of the Owner. Such appointment by the Agency shall be for the duration provided in Section 7 (b)(6) of the Act and any person so appointed shall be entitled to the same immunities and compensation as provided in such Act. If the Agency decides to remove and replace the general partner, officers, managers, directors, managing members or partners of the Owner pursuant to its rights under the Act, the Agency will provide notice of such decision to the limited partner. The Agency may require from the newly appointed officers, managers, directors, managing members or partners a deed to the Project in lieu of foreclosure;

(l) exercise any rights of the Owner under the Plans and Approvals and to take in its name or in the name of Owner such action as the Agency may determine to be necessary pursuant to the assignment of Plans and Approvals (as set forth in Section 29). The Agency may use the Plans and Approvals for any purpose relating to the Project. The Owner irrevocably constitutes and appoints the Agency as the Owner's attorney-in-fact, in the Owner's name or in the Agency's name, to enforce all rights of the Owner under any Plans and Approvals.

Notwithstanding the above enumeration of remedies, the Agency shall have available to it all other remedies provided at law or in equity or any other action permitted by law.

Section 32. Anticipatory Breach

If the Owner threatens to commit a breach of any of the provisions of this Agreement or the other Loan Documents, the Agency shall have the right, without posting bond or other security, to seek injunctive relief or specific performance, it being acknowledged and agreed that any such breach, or threatened breach, will cause irreparable injury to the Agency and that money damages will not provide an adequate remedy.

Section 33. Expenses Due to Default

All expenses (including reasonable attorney's fees and costs and allowances) incurred in connection with an action to foreclose the First Mortgage or in exercising any other remedy provided by this Agreement or the other Loan Documents, including the curing of any Event of Default, shall be paid by the Owner on demand, together with interest at the interest rate in the First Mortgage Note whether or not an action or proceeding is instituted. Expenses of foreclosure for purposes of this paragraph shall include the items enumerated in Section 15 of this Agreement.

The Owner hereby acknowledges that if the Project receives Bond financing, the payments to be made by the Owner pursuant to the First Mortgage Note may be used by the Agency to pay interest and principal on the Bonds. In the event that the Owner fails to make any payment due under the First Mortgage Note and the Agency is required to advance funds to pay interest or principal on the Bonds, the Owner shall be required to pay the Agency interest on any amounts so advanced by the Agency on demand, which interest shall be equal to the interest rate in the First Mortgage Note.

Section 34. Amendments; Notices; Waivers

This Agreement may be amended only by an instrument in writing executed and acknowledged on behalf of the Agency and the Owner in such manner that the instrument may be recorded.

No waiver by the Agency of any Event of Default or required performance by the Owner and no course of conduct of the parties or failure by the Agency to enforce or insist upon performance of any of the obligations of the Owner under this Agreement, or the other Loan Documents at any time shall preclude enforcement of any of the terms of this Agreement or the other Loan Documents.

Any provision of this Agreement requiring the consent or approval of the Agency for the taking of any action or the omission of any action or otherwise called for under this Agreement, requires such consent by the Agency in writing signed by a duly authorized officer of the Agency. Any such consent or approval, unless it expressly states otherwise, is limited to the particular action or omission referred to therein and does not apply to subsequent similar actions or omissions.

Notice provided for under this Agreement shall be given in writing signed by a duly

authorized officer, any notice provided by the Agency to the Owner under this Agreement will be copied to the limited partner, and any notice required to be given hereunder shall be given by recognized private carrier with acknowledgment or confirmed telecopier or by certified or registered mail, postage prepaid, return receipt requested, at the addresses specified below, or at such other addresses as may be specified in writing by the parties hereto:

Owner: **Whitlock Mills, L.P.**
c/o HTA Whitlock, LLC
6851 Oak Hall Lane, Suite 100
Columbia, MD 21045,
Attention: Wallace L. Scruggs
Facsimile: 410-381-1666

Agency: **Executive Director**
New Jersey Housing and Mortgage Finance Agency
637 South Clinton Avenue
P.O. Box 18550
Trenton, New Jersey 08650-2085

Limited Partner: **Boston Capital Corporate Tax Credit Fund**
XXI, A Limited Partnership
C/O Boston Capital Partners, Inc.
One Boston Place, 21st Floor
Boston, MA 02108

Section 35. Severability

The invalidity of any part or provision hereof shall not affect the validity, legality or enforceability of the remaining portions hereof, and to this end the provisions of this Agreement shall be severable.

Section 36. Personal Liability

Notwithstanding any other provision contained in this Agreement or the other Loan Documents, the Agency agrees, on behalf of itself and any future holder of the First Mortgage Note, that the liability of the Owner, any general or limited partner, member or shareholder of the Owner and their respective heirs, representatives, successors and assigns, for the payment of its obligations under the Loan Documents, including, without limitation, the payment of principal and interest due and other charges due hereunder and thereunder, shall be limited to the collateral pledged under the

First Mortgage and the other Loan Documents, and that the Agency shall have no right to seek a personal judgment against the Owner, any general or limited partner, member or shareholder of the Owner, or their respective heirs, representatives, successors and assigns, individually, except to the extent necessary to subject the collateral pledged under the First Mortgage and the other Loan Documents to the satisfaction of the mortgage debt; provided, however, that the Agency shall retain the right to exercise any and all remedies granted to it under this Agreement and the other Loan Documents, including, without limitation, the right to sue for injunctive or other equitable relief. The foregoing limitation of liability shall not apply to any party to the extent such party has committed fraudulent, criminal or unlawful acts and shall not apply to such amounts that may be due to the Agency pursuant to Sections 11, 12, 13, 14, 15(c) through (e), 33 and 42.

Section 37. Counterparts

This Agreement may be executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Section 38. Disclaimer of Warranties, Liability, Indemnification

(a) The Owner acknowledges and agrees that (i) the Agency has not heretofore and does not make any warranty or representation, either express or implied as to the value, condition, or fitness for particular purpose or any use of the Project or Land or any portions thereof or any other warranty or representation with respect thereto; (ii) in no event shall the Agency or its agents or employees be liable or responsible for any incidental, indirect, special or consequential damages in connection with or arising out of this Agreement or any of the other Loan Documents or from the acquisition, , rehabilitation, reconstruction, repair, improvement, ownership, operation or maintenance of the Project or Land or any items or services provided for in this Agreement or the other Loan Documents; and (iii) during the term of this Agreement and the other Loan Documents and to the fullest extent permitted by law, the Owner shall indemnify and hold the Agency harmless against, and the Owner shall pay any and all liability, loss, cost, damage, claims, judgments or expenses of any and all kinds or nature and however arising, imposed by law, which the Owner and the Agency may sustain, be subject to, or caused or incurred by reason of any claim, suit or action based upon personal injury, death or damage to property or any other damage or loss sustained, whether real, personal or mixed, or arising out of any alleged violation of the Environmental Laws or the alleged use, storage or disposal of Hazardous Materials by the Owner or by any person or entity or other source related to the Project or Land, or upon or arising out of contracts entered into by the Owner, or arising out of the Owner's acquisition, construction, rehabilitation, reconstruction, repair, improvement, ownership, operation or maintenance of the Project or Land.

(b) It is mutually agreed by the Owner and the Agency that the Agency and its directors, officers, agents, servants and employees shall not be liable for any action performed under

this Agreement, and that the Owner shall hold them harmless from any claim or suit of whatever nature.

(c) Any claims asserted against the Agency shall be subject to the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq. (except for N.J.S.A. 59:13-9 thereof). While this statute is not applicable by its terms to claims arising under contracts with the Agency, the Owner agrees that it shall be applicable to claims arising under this Agreement or the other Loan Documents. It is acknowledged by the parties that the Agency is a public entity covered by the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq.

(d) Notwithstanding the provisions of this Section 38, but in no way intending to reduce the obligations of Owner under this Agreement or the other Loan Documents, in the event the Agency takes possession, ownership and/or control of the Project and commences operating the same, Owner shall not be liable for the acts or omissions of the Agency, its employees, agents or representatives from and after the date of such possession, ownership or control.

Section 39. Filing

This Agreement shall be duly recorded in the Office of the Clerk for the county in which the Land is located.

Section 40. Governing Law

This Agreement shall be governed by the laws of the State of New Jersey.

Section 41. Equal Opportunity and Non-Discrimination

The Owner covenants and agrees that it will comply with the Agency guidelines with respect to equal opportunity and non-discrimination in its purchase of goods and services for the operation and maintenance of the Project throughout the term of this Agreement.

Section 42. Investment Funding and Return on Investment

The Owner agrees to make an investment in the Project and Land in an amount which is not less than 10% of the total Project cost as determined by the Agency pursuant to the Act. In the event the principal sum set forth in the First Mortgage Note that is advanced to the Owner is determined by the Agency to exceed 90% of the total Project cost, the Owner agrees to reimburse the Agency an amount that would reduce the First Mortgage Loan to 90% of the total Project cost.

The total Project cost and the portion thereof that is contributed by the Owner as investment

shall be determined by the Agency in accordance with the cost certification procedures under the Act. The Owner shall be eligible for a cumulative, but not compounded, return on its investment at the rate of 8.59% annually in the manner set forth in the Agency Regulations

Section 43. Applicability and Conflict of Terms and Conditions

The terms and conditions of this Agreement are applicable for the entire term of this Agreement (as set forth in Section 9 hereof) unless otherwise set forth in this Agreement. In the event of any conflict or inconsistency between the terms and conditions of any of the Loan Documents (including this Agreement), the terms and conditions of this Agreement shall prevail. Notwithstanding the foregoing, the Owner agrees that the Agency may render a decision concerning the intent and/or applicability of any term or condition of the Loan Documents and unless such decision is found to be arbitrary or capricious by a court of competent jurisdiction, the Agency decision shall be final.

Section 44. Miscellaneous

Unless the context clearly requires otherwise, as used in this Agreement, words of the masculine, feminine or neuter gender shall be construed to include any other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The titles and headings of the sections of this Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

SIGNATURE PAGES AND NOTARY BLOCKS ON NEXT PAGES

SIGNATURE AND NOTARY PAGES

IN WITNESS WHEREOF, this Agreement is duly executed by the Owner and Agency on the date first set forth above and by signing below, the Owner acknowledges that it has received a true copy of this Agreement, without charge.

ATTEST

NEW JERSEY HOUSING AND
MORTGAGE FINANCE AGENCY

Katherine Tasch
Katherine Tasch, Assistant Secretary

By: Richard L. Evert
Richard L. Evert
Chief of Regulatory Affairs

This Agreement has been reviewed and approved as to form,
Attorney General of the State of New Jersey

By: Darryl D. Appleton
Darryl D. Appleton
Deputy Attorney General

STATE OF NEW JERSEY, COUNTY OF MERCER SS

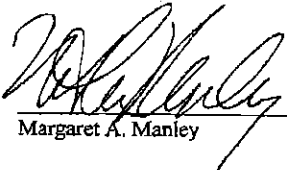
I CERTIFY that on this ^{26TH} day of May 2004, Katherine Tasch personally came before me, Beverly Harding, a Notary Public of the State of New Jersey, and being duly sworn by me, she acknowledged and made proof to my satisfaction, that she is the Assistant Secretary of the New Jersey Housing and Mortgage Finance Agency, the Agency named in this Instrument, that Richard L. Evert is the Chief Regulatory Affairs of the Agency, that the execution, as well as the making of this Instrument, has been duly authorized by a resolution of the members of the Agency; that this Instrument was signed and delivered by the Chief of Regulatory Affairs as and for the voluntary act and deed of the Agency, in her presence and she signed this Instrument as the attesting witness.

Katherine Tasch
Katherine Tasch, Assistant Secretary

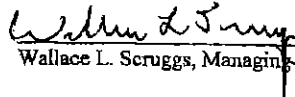
Sworn to and subscribed before me on May 26, 2004

Beverly Harding
Beverly Harding, Notary Public of New Jersey
My Commission Expires on March 27, 2009

SIGNATURE AND NOTARY BLOCKS CONTINUED FROM PRECEDING PAGE

By: 
Margaret A. Manley

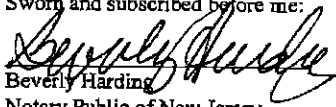
By: **WHITLOCK MILLS, L.P.**
HTA Whitlock, LLC, its General Partner

By: 
Wallace L. Scruggs, Managing Member

STATE OF NEW JERSEY)

COUNTY OF HUDSON)

BE IT REMEMBERED, that on this 26th day of May, 2004 before me, the Subscriber, an officer duly authorized pursuant to N.J.S.A. 46:14-6 to take acknowledgements for use in the State of New Jersey, personally appeared Wallace L. Scruggs, Limited Partner of Whitlock Mills, L.P., who I am satisfied is the person who executed the within Instrument, and I having first made known to him the contents thereof, he did thereupon acknowledge that the said Instrument signed, sealed and delivered by him as such President, is the voluntary act and deed of said corporation, made by virtue of a resolution of its Board, for the uses and purposes therein expressed.

Sworn and subscribed before me:

Beverly Harding
Notary Public of New Jersey
My Commission Expires March 27, 2009

END OF DOCUMENT

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: PIMBERTA/WHITLOCK/NEU #140300551

Commitment No: 2403-80021

A COPY OF THIS DEED HAS
BEEN FILED IN THE COUNTY ASSESSOR'S OFFICE

4. The land referred to in this Commitment is described as follows:

ALL THAT CERTAIN TRACT, PARCEL AND LOT OF LAND LYING AND BEING SITUATE IN THE CITY OF JERSEY CITY, COUNTY OF HUDSON, STATE OF NEW JERSEY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FORMED BY THE INTERSECTION OF FORMER CENTERLINE OF MANNING AVENUE, WITH THE NORTHEASTERLY OF LAFAYETTE STREET; THENCE;

1. SOUTH 31°09'00" EAST ALONG THE NORTHWESTERLY LINE OF LAFAYETTE STREET, A DISTANCE OF 30.04 FEET TO A POINT; THENCE;
2. SOUTH 61°51'00" WEST A DISTANCE OF 30.04 FEET, TO A POINT IN THE FORMER CENTERLINE OF LAFAYETTE STREET (VACATED); THENCE;
3. SOUTH 31°09'00" EAST, ALONG THE FORMER CENTERLINE OF LAFAYETTE STREET A DISTANCE OF 109.14 FEET, TO A POINT; THENCE;
4. SOUTH 61°51'00" WEST, A DISTANCE OF 30.04 FEET, TO A POINT IN THE FORMER SOUTHWESTERLY LINE OF LAFAYETTE STREET; THENCE;
5. NORTH 31°09'00" WEST, ALONG THE FORMER SOUTHWESTERLY LINE OF LAFAYETTE STREET A DISTANCE OF 120.16 FEET, TO A POINT; THENCE;
6. SOUTH 51°51'00" WEST, A DISTANCE OF 164.85 FEET, ALONG THE FORMER SOUTHEASTERLY LINE OF MANNING AVENUE; THENCE;
7. NORTH 30°53'45" WEST A DISTANCE OF 10.02 FEET, TO A POINT IN THE FORMER CENTERLINE OF MANNING AVENUE; THENCE;
8. NORTH 61°51'00" EAST ALONG THE FORMER CENTERLINE OF MANNING AVENUE, A DISTANCE OF 13.30 FEET, TO A POINT; THENCE;
9. NORTH 30°53'45" WEST A DISTANCE OF 196.64 FEET, TO A POINT OF CURVE; THENCE;
10. IN A GENERAL NORTHERLY DIRECTION, CURVING TO THE RIGHT ON A RADIUS OF 409.05 FEET, AN ARC DISTANCE OF 66.27 FEET TO A POINT OF COMPOUND CURVE; THENCE;
11. IN A GENERAL NORTHERLY DIRECTION, CURVING TO THE RIGHT ON A RADIUS OF 168.42 FEET, AN ARC DISTANCE OF 109.80 FEET TO A POINT; THENCE;
12. NORTH 62°57'40" WEST, 73.25 FEET TO A POINT; THENCE

(Continued on Next Page)

MMW 12/24

MMW

Page A2 - 1

JR 05/24/04 11:43:49

BK=07293 PG=00338

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: PIMENTA/WHITLOCK/NEU #140360551

Commitment No: 2403-80021

A COPY OF THIS DEED HAS
BEEN SENT TO AFFECTED OFFICE

13. SOUTH 58°04'00" WEST, 32.05 FEET TO A POINT; THENCE
14. NORTH 31°09'00" WEST, 125.03 FEET TO A POINT IN THE SOUTHEASTERLY LINE OF
M.S. CONRAIL C.R.R. CO. OF N.J., LAFAYETTE BRANCH MAIN STEM; THENCE
15. NORTH 59°02'00" EAST, ALONG SAME, 16.73 FEET TO A POINT; THENCE
16. NORTH 63°02'00" EAST, ALONG SAME, 83.20 FEET TO A POINT; THENCE
17. NORTH 67°17'16" EAST, ALONG SAME, 58.47 FEET TO A POINT; THENCE
18. NORTH 70°02'00" EAST, ALONG SAME, 58.31 FEET TO A POINT; THENCE
19. NORTH 75°02'00" EAST, ALONG SAME, 28.69 FEET TO A POINT; THENCE
20. NORTH 76°02'00" EAST, ALONG SAME, 48.85 FEET TO A POINT; THENCE
21. NORTH 80°17'00" EAST, ALONG SAME, 48.52 FEET TO A POINT; THENCE
22. NORTH 82°47'00" EAST, ALONG SAME, 37.15 FEET TO A POINT; THENCE
23. SOUTH 86°43'00" EAST, ALONG THE SOUTHWESTERLY LINE OF M.S. CONRAIL C.R.R.
CO. OF N.J., LAFAYETTE BRANCH MAIN STEM, 86.44 FEET TO A POINT; THENCE
24. SOUTH 80°58'00" EAST, ALONG SAME, 67.59 FEET TO A POINT; THENCE
25. SOUTH 75°43'00" EAST, ALONG SAME, 57.63 FEET TO A POINT; THENCE
26. SOUTH 70°08'00" EAST, ALONG SAME, 249.80 FEET TO A POINT; THENCE
27. SOUTH 14°29'00" WEST, 75.67 FEET TO A POINT; THENCE
28. SOUTH 28°09'00" EAST, 111.44 FEET TO A POINT IN THE TERMINUS OF MAPLE
STREET; THENCE
29. SOUTH 61°51'00" WEST, ALONG THE TERMINUS OF MAPLE STREET (60 FEET WIDE)
AND ALONG THE FORMER CENTERLINE OF MANNING AVENUE, NOW BEING THE
NORTHWESTERLY LINE OF THE (FORMERLY VACATED) SOUTHERLY HALF OF MANNING AVENUE
(30 FEET WIDE) A DISTANCE OF 182.47 FEET TO A POINT; THENCE
30. NORTH 28°09'00" WEST, 69.88 FEET TO A POINT; THENCE
31. SOUTH 61°51'00" WEST, 45.75 FEET TO A POINT; THENCE
32. NORTH 30°22'28" WEST, 17.72 FEET TO A POINT; THENCE
33. SOUTH 59°37'40" WEST, 74.60 FEET TO A POINT; THENCE

NRCC 12/74

MAT

Page A2 - 2

JR 03/24/04 11:43:49

BK:07293 PG:00339

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: PIMENTA/WHITLOCK/NBU #140300551

Commitment No: 2403-80021

34. NORTH 30°22'20" WEST, 130.57 FEET TO A POINT; THENCE

35. NORTH 59°37'40" EAST, 46.00 FEET TO A POINT; THENCE

36. NORTH 30°22'20" WEST, 90.52 FEET TO A POINT; THENCE

37. NORTH 59°37'40" EAST, 74.32 FEET TO A POINT; THENCE

38. SOUTH 30°22'20" EAST, 240.58 FEET TO THE END OF THE ABOVE 30TH COURSE
ABOVE GIVEN; THENCE

39. SOUTH 28°09'00" EAST, ALONG SAID 30TH COURSE 69.88 FEET TO A POINT IN THE
FORMER CENTERLINE OF MANNING AVENUE, NOW BEING THE NORTHWESTERLY LINE OF THE
(FORMERLY VACATED) SOUTHERLY HALF OF MANNING AVENUE; THENCE

40. SOUTH 61°51'00" WEST, ALONG SAME, 276.06 FEET TO THE PLACE OF BEGINNING.

THE PARCEL OF LAND AND PREMISES WITHIN THE ABOVE DESCRIBED COURSES 26 THROUGH
33 INCLUSIVE IS KNOWN AS LOT 17, BLOCK 2057 AND IS NOT INCLUDED IN THE ABOVE
DESCRIBED LANDS.

BEING SUBJECT TO A NONEXCLUSIVE INGRESS AND EGRESS EASEMENT BEING DESCRIBED
AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF LAFAYETTE STREET (60 FEET
WIDE) WITH THE SOUTHEASTERLY LINE OF FORMER MANNING AVENUE (60 FEET WIDE)
(VACATED 7/19/1955); THENCE

1. NORTH 31°09'00" WEST, ALONG THE CENTER LINE OF LAFAYETTE STREET, 74.08
FEET TO A POINT; THENCE

2. NORTH 61°51'00" EAST, 209.12 FEET; THENCE

3. NORTH 30°22'20" WEST, 41.50 FEET TO A POINT IN THE LINE OF TAX LOT 17,
BLOCK 2057; THENCE

4. NORTH 59°37'40" EAST, ALONG SAME, 54.50 FEET TO A POINT; THENCE

5. SOUTH 30°22'20" EAST, 45.78 FEET TO A POINT; THENCE

6. NORTH 61°51'00" EAST, 40.00 FEET TO A POINT; THENCE

7. SOUTH 28°09'00" EAST, 41.92 FEET TO A POINT IN THE FORMER CENTER LINE OF
MANNING AVENUE (VACATED 7/19/1955); THENCE

8. SOUTH 61°51'00" WEST, ALONG SAME, 95.00 FEET TO A POINT; THENCE

9. NORTH 28°09'00" WEST, 18.00 FEET TO A POINT; THENCE

MMWC 12/94

NAT

Page A2 - 3

JR 05/24/04 11:43:49

BK=07293 PG=00340

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: PIMIENTA/WHITLOCK/NBU #140300551

Commitment No: 2403-80021

10. SOUTH 61°51'00" WEST, 158.37 FEET TO A POINT OF CURVE; THENCE
11. IN A GENERAL SOUTHEASTERLY DIRECTION, CURVING TO THE LEFT ON A RADIUS OF 18.00 FEET, AN ARC DISTANCE OF 29.22 FEET TO A POINT IN THE EXTENDED NORTHEASTERLY LINE OF LAFAYETTE STREET; THENCE
12. SOUTH 31°09'00"EAST, ALONG SAME, 30.04 FEET TO A POINT IN THE FORMER SOUTHEASTERLY LINE OF VACATED MANNING AVENUE; THENCE
13. SOUTH 61°51'00" WEST, ALONG SAME, 30.04 FEET TO THE PLACE OF BEGINNING.

THE FOREGOING DESCRIPTION BEING IN ACCORDANCE WITH A SURVEY PREPARED BY VOLLMER ASSOCIATES, LLP, DATED JUNE 12, 2003 REVISED TO MAY 18, 2004.

BEING ALSO KNOWN AS (REPORTED FOR INFORMATIONAL PURPOSES ONLY):

LOT 18, BLOCK 2057, ON THE OFFICIAL TAX MAP OF THE CITY OF JERSEY CITY.

THIS DEED HAS
BEEN RECORDED IN THE
ASSESSOR'S OFFICE

HUD Mortgage No.: 30186-0999-7
Project No.: 031-98015
Page 1

Record and Return to:
Beverly Harding, Paralegal
New Jersey Housing and Mortgage
Finance Agency
637 South Clinton Avenue
P.O. Box 18550
Trenton, New Jersey 08650-2085

000008936
RECEIVED
AND
RECORDED
AGMT

06/29/2007 08:44A
WILLIE L. FLOOD
HUDSON COUNTY
REGISTER OF DEEDS
Receipt No. 395971

Whitlock Mills
HMFA #1388

**AMENDED FINANCING, DEED RESTRICTION AND REGULATORY
AGREEMENT**

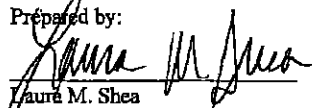
between

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

and

WHITLOCK MILLS, L.P.

Prepared by:


Laura M. Shea
Deputy Attorney General

Construction and Permanent Financing

BK:08255 PG:00077

8-5 80012
CHICAGO TITLE INSURANCE COMPANY
TWO UNIVERSITY PLAZA
PLAZA 14
HACKENSACK, NEW JERSEY 07601

7000 1388 11

THIS AMENDED FINANCING, DEED RESTRICTION AND REGULATORY AGREEMENT (this "Amended Agreement") is made and entered into as of June 12, 2007, and amends that certain Financing, Deed Restriction and Regulatory Agreement dated May 26, 2004, and recorded in the Hudson County Deed Book 07293, Page 297, by and between the **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY** (the "Agency"), a body politic and corporate and an instrumentality exercising public and essential governmental functions of the State of New Jersey, created pursuant to the New Jersey Housing and Mortgage Finance Agency Law of 1983, N.J.S.A. 55:14K-1 et seq. (the "Act") and **WHITLOCK MILLS, L.P.**, a limited partnership (together with its approved successors and assigns, the "Owner"), organized and existing pursuant to the laws of the State of Maryland, duly authorized to transact business in the State of New Jersey and a qualified housing sponsor within the meaning of the New Jersey Housing and Mortgage Finance Agency Law of 1983, N.J.S.A. 55:14K-1 et seq., as amended (the "Act"), having its principal office at 6851 Oak Hall Lane, Suite 100, Columbia, MD 21045.

WITNESSETH:

This Amended Agreement is necessary because the Lender is increasing the First Mortgage Loan amount, the Borrower is giving the Lender a First Mortgage Note II to evidence the additional debt and to incorporate certain other related revisions to the original Agreement. Except as specifically amended herein the original Financing, Deed Restriction and Regulatory Agreement dated May 26, 2004 shall remain in full force and effect.

Section 1. Definitions and Interpretation

The following terms shall have the respective meanings set forth below:

"Act" means the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended from time to time, P.L. 1983, c. 530, N.J.S.A. 55:14K-1 et seq.

"Agency Regulations" means the regulations promulgated by the Agency pursuant to the Act and any policies, procedures or guidelines issued by the Agency with respect to the housing projects financed by the Agency under the Act, all of the foregoing as they may be amended from time to time.

"Agreement" and/or "Amended Agreement" shall mean this Amended Financing, Deed Restriction and Regulatory Agreement.

"Amortization Date" means the amortization date established in the First Mortgage Note I.

"Assignment of Leases" means the Assignment of Leases between the Owner and Agency given by the Owner to the Agency as additional security for the repayment of the First Mortgage Loan.

"Bonds" means the New Jersey Housing and Mortgage Finance Agency Multi-Family Housing Revenue Bonds, Series 2004 and/or 2007, issued under the Resolution.

"Code" means the Internal Revenue Code of 1986, as amended.

"Construction Contract" means the agreement between the Owner and Constructamax, Inc. dated March 30, 2004, as amended by the Takeover Agreement, or any other agreement executed by the Owner and approved by the Agency, for the construction of the Project in accordance with the plans and specifications for the Project approved by the Agency.

"Environmental Laws" shall mean and include any Federal, State, or local statute, law, ordinance, code, rule, regulation, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic, or dangerous waste, substance, element, compound, mixture or material, as now or at any time hereafter in effect including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended, 42 U.S.C. Sections 9601 et seq., the Federal Hazardous Materials Transportation Act, as amended 42 U.S.C. Section 1801 et seq., the Federal Resource Conservation and Recovery Act as amended, 42 U.S.C. Sections 6901 et seq., the Superfund Amendments and Reauthorization Act, 42 U.S.C. Sections 9601 et seq., the Federal Toxic Substances Control Act, 15 U.S.C. Sections 2601 et seq., the Federal Hazardous Material Transportation Act, 49 U.S.C. Sections 1801 et seq., the Federal Clean Air Act, 42 U.S.C. Section 7401 et seq., the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 et seq., the Rivers and Harbors Act of 1899, 33 U.S.C. Sections 401 et seq., the Residential Lead-Based Paint Hazard Reduction Act of 1992, 42 U.S.C. Sections 4852d, the New Jersey Environmental Cleanup Responsibility Act, as amended N.J.S.A. 13:1K-6 et seq., the New Jersey Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq., the Spill Compensation and Control Act, as amended, N.J.S.A. 58:10-23.11, et seq., the New Jersey Tank Registration Act, N.J.S.A. 58:10A-21 et seq., the New Jersey Water Pollution Control Act, as amended, N.J.S.A. 58:10A-1 et seq., and all rules and regulations adopted and publications promulgated thereto, or any other so-called "Superfund" or "Superlien" laws, or any other Federal, state or local environmental law, ordinance, rule, or regulation, as any of the foregoing have been, or are hereafter amended.

"Event of Default" means any of the events set forth in Section 30 of this Agreement.

"First Mortgage" and/or **"Amended First Mortgage"** and/or **"Amended Mortgage"** and/or **"Amended Mortgage and Security Agreement"** means the amended first mortgage and security agreement given by the Owner to the Agency to secure the payment of the First Mortgage Notes I and II.

"First Mortgage Loan" means the first mortgage loan made to the Owner by the Agency to finance or refinance a portion of the cost of the development, construction, rehabilitation and/or acquisition of the Project, which is evidenced by the First Mortgage Notes I and II and secured by the Amended First Mortgage.

"First Mortgage Note" and/or **"First Mortgage Note I"** and/or **"Amended First Mortgage Note**

"I" means the interest bearing, non-recourse promissory note, made by the Owner to the Agency, that contains the promise of the Owner to pay the sum of Thirty Eight Million Three Hundred Sixty Five Thousand Five Hundred Sixty Eight Dollars \$38,365,568 as stated therein at the times stated therein and that evidences the obligation of the Owner to repay the amounts set forth therein. Unless clearly stated to the contrary, when used herein "First Mortgage Note" shall mean the First Mortgage Note I.

"First Mortgage Note II" means the interest bearing, non-recourse promissory note, made by the Owner to the Agency, that contains the promise of the Owner to pay the sum of Two Million Fifty Thousand Dollars (\$2,050,000) as stated therein at the times stated therein and that evidences the obligation of the Owner to repay the amounts set forth therein.

"First Mortgage Notes" means both the First Mortgage Note I and the First Mortgage Note II, collectively.

"Hazardous Materials" shall mean and include those elements, materials, compounds, mixtures or substances which are contained in any list of hazardous substances adopted by the United States Environmental Protection Agency (the "EPA") or any list of toxic pollutants designated by Congress, the EPA, or the New Jersey Department of Environmental Protection ("NJDEP"), or which are defined as hazardous, toxic, pollutant, infectious, flammable or radioactive by any of the Environmental Laws, and, whether or not included in such lists, shall be deemed to include all products or substances containing petroleum, asbestos, lead, and polychlorinated biphenyls.

"HUD" means the United States Department of Housing and Urban Development.

"IRS Regulations" means the regulations promulgated or proposed by the United States Department of the Treasury or the Internal Revenue Service pursuant to the Code, and to the extent applicable, pursuant to the Internal Revenue Code of 1954, as both may be amended from time to time, including all rules, rulings, policies, and official statements issued by the United States Department of the Treasury or the Internal Revenue Service.

"Land" means the real property described in Schedule "A" attached hereto and made a part hereof.

"Loan Documents" means and includes this Amended Agreement, the Amended and Restated First Mortgage Note I, the First Mortgage Note II, the Amended Assignment of Leases, the UCC Financing Statements, the Amended Mortgage and Security Agreement, the Disbursement Agreement regarding the Working Capital Account, the Amended Assignment of Syndication Proceeds, if applicable, and the Tax Certificate.

"Low Income Tenants" means occupants of the Project who have income of 60 percent or less of the area median gross income, adjusted for family size, as determined under Section 142(d) of the Code.

"MIP" means the Mortgage Insurance Premium payable to HUD on an annual basis for the

mortgage Insurance under the Risk Sharing program administered by HUD.

"Note II Amortization Date" means the amortization date established in the First Mortgage Note II.

"Permitted Encumbrances" means any

(i) Utility, access and other easements and rights of way, restrictions and exceptions that do not, individually or in the aggregate, materially impair the utility or value of the Project or Land for the purposes for which it is intended;

(ii) Liens which are being contested in good faith and for which the Owner has provided security satisfactory to the Agency;

(iii) Liens subordinate to the First Mortgage Loan arising due to any monies loaned in connection with the Project or other monies loaned to the Owner, provided such liens are disclosed to and approved by the Agency in writing; and

(iv) Any other encumbrances approved by the Agency in writing.

"Project" means the multifamily residential rental project constructed or otherwise financed with the proceeds of the First Mortgage Loan and all other improvements to be constructed or located on the Land.

"Qualified Bond Counsel" means an attorney or law firm acceptable to the Agency with respect to the issuance of bonds by States and their political subdivisions for the purpose of financing housing projects.

"Qualified Project Period" means the period beginning on the first day on which 10 percent of the residential units in the Project are occupied and ending on the latest of--

(i) the date which is 15 years after the date on which 50 percent of the residential units in the Project are occupied,

(ii) the 1st day on which no tax-exempt private activity bond issued with respect to the Project is outstanding, or

(iii) the date on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937 terminates.

"Residential Rental Project" means a qualified residential rental project as defined in Section 142(d) of the Code.

"Resolution" means the General and Series Resolutions and/or supplemental Resolutions of the Agency authorizing the sale and issuance of the Agency's Bonds, in connection with the financing or refinancing of the Project.

"**Security Agreement**" means the Security Agreement dated May 26, 2004 by and between the Agency and the Owner.

"**Servicing Fees**" means the servicing fees that are due from the Owner to the Agency as set forth in the First Mortgage Notes I and II.

"**State**" means the State of New Jersey.

"**Takeover Agreement**" means that certain agreement dated February 15, 2007 by and between the Owner, Arch Insurance Company and Arch Reinsurance Company and approved by the Agency,

"**Tax Certificate**" means the Tax Certificate for Borrowers of Tax-Exempt Bond Proceeds, the form of which is attached hereto as Schedule "B" if the Project is receiving Tax-Exempt Financing.

"**Tax Credits**" means low income housing tax credits that the Project may receive pursuant to the Code.

"**Tax-Exempt Financing**" means financing received by the Owner from the proceeds of the tax-exempt Bonds issued by the Agency, the interest on which is excludable from gross income for purposes of Federal or State income taxation.

"**Trustee**" means the institution named under the Resolution and designated to act as trustee thereunder with respect to the Bonds, and its successors.

"**UCC-1 Financing Statements**" means the UCC-1 Financing Statements between the Owner and Agency given by the Owner to the Agency as additional security for the repayment of the First Mortgage Loan.

Section 2. Background and Purpose. The first sentence of the third paragraph is amended as follows:

The First Mortgage Loan is an "eligible loan" as defined in the Act, and is evidenced by the First Mortgage Notes I and II and is secured by the First Mortgage, which constitutes a valid first lien on the Project and Land.

The remainder of this Section shall remain unchanged.

Section 3. Residential Rental Property This Section shall remain unchanged.

Section 4. Occupancy Restrictions Governing Tenant Income This Section shall remain unchanged.

Section 5. Representations, Warranties and Covenants of the Owner This Section shall remain unchanged.

Section 6. Environmental Representations, Warranties and Covenants of the Owner This Section shall remain unchanged.

Section 7. Reporting Requirements This Section shall remain unchanged.

Section 8. Covenants to Run With the Land This Section shall remain unchanged.

Section 9. Term This Section shall remain unchanged.

Section 10. Construction and Funding

A. Construction of Project

The first paragraph of Section 10 A is amended as follows:

The Owner covenants and agrees to comply with all the provisions of the Construction Contract and the Takeover Agreement. The Owner and the Agency hereby acknowledge that in the event of any conflict between the terms of the Construction Contract and the Takeover Agreement, the terms of the Takeover Agreement shall prevail. In the event of any conflict between the terms of this Amended Agreement and the Takeover Agreement, this Amended Agreement shall prevail.

The second, third and fourth paragraphs of Section 10 A shall remain unchanged.

B. Funding of Construction. The first paragraph of Section 10 B is amended as follows:

Upon and subject to the terms and conditions of this Amended Agreement, the Amended Mortgage and the First Mortgage Notes, the Agency agrees to advance to the Owner in successive advances as described herein the lesser of: (1) Forty Million Five Hundred Eighteen Thousand Five Hundred Sixty Eight Dollars (\$40,415,568), or (2) 90% of the cost of the Project as established by the Agency in accordance with its normal procedures for auditing or otherwise verifying Project cost.

The second and third paragraphs of Section 10 B shall remain unchanged.

C. Procedures for Advances. Section 10 C shall remain unchanged.

D. Conditions Precedent to Advances. Section 10D shall remain unchanged.

Section 11. Insurance; Condemnation The last sentence of the first paragraph is amended as follows:

If the Agency shall not receive evidence satisfactory to it of the existence of effective insurance coverage as required by the Agency, the Agency may (but shall not be required to) obtain such coverage, and the Owner shall reimburse the Agency on demand for any premiums paid for insurance procured by the Agency, and until so reimbursed the amount of such premiums shall be added to the principal sum as defined in the First Mortgage Note I and shall bear interest at the interest rate in the First Mortgage Note I.

The remainder of this Section shall remain unchanged.

Section 12. Taxes, Payments in Lieu of Taxes and Other Municipal Charges The last sentence of this Section is amended as follows:

Any such sum(s) so paid by the Agency shall be payable by the Owner on demand by the Agency and until paid the amount of such sums shall be added to the principal sum as defined in the First Mortgage Note I and shall bear interest at the interest rate in the First Mortgage Note I.

Section 13. Liens and Encumbrances

The first paragraph of this Section is amended to state that the Chicago Title Insurance Company, commitment dated December 12, 2003 and identified as title #2403-80021 has been updated through March 29, 2007.

The second paragraph of this Section is amended as follows:

The Agency may, at its sole option, pay the amount necessary to discharge any lien or other encumbrance, and the Owner shall reimburse the Agency upon demand for any amounts so paid. Until reimbursement of the Agency of any amounts so paid, such amount shall be added to the principal sum as defined in the First Mortgage Note I and shall bear interest at the interest rate in the First Mortgage Note I.

Section 14. Maintenance, Repair and Replacement

The first paragraph of this Section is amended as follows:

The Owner covenants and agrees to maintain the Project and the Land, including, but not limited to, the dwelling units contained therein, any related facilities, the appurtenant equipment and grounds in good repair and condition so as to provide decent, safe and sanitary housing accommodations. In the event that any remedial work, including but not limited to investigation, site monitoring, containment, clean-up, removal, restoration, remediation, or other remedial work of any kind or nature is required under any applicable Environmental Laws at, on, about, under or within the Project or Land, the Owner agrees to commence and diligently perform and complete such remedial work in compliance with all applicable Environmental Laws, at its own expense. In the event the Owner shall fail to timely commence, perform and complete such remedial work, pursuant to this Amended Agreement the Agency may, at its sole and absolute

discretion, cause such remedial work to be performed and the Owner shall reimburse the Agency upon demand for all costs incurred by the Agency in connection with the performance, completion and monitoring of such remedial work. Until reimbursement of the Agency of any costs so incurred, such amount shall be added to the principal sum as defined in the First Mortgage Note I and shall bear interest at the interest rate in the First Mortgage Note I.

The remainder of this Section shall remain unchanged.

Section 15. Advance Amortization Payments This Section shall remain unchanged.

Section 16. Reserve and Escrow Payments

This entire Section is replaced with the following:

On the date of the execution of this Amended Agreement, the Owner shall deposit \$645,000 with the Agency to fund the Working Capital Account as set forth in the Form 10 budget and draw schedule of even date herewith. This Working Capital Account funding shall be in addition to the Working Capital Account deposit of \$1,896,687 required in May, 2004. The Working Capital Account shall be used to pay operating expenses, including debt service, until such time as the Project achieves Stabilized Occupancy as defined in the Disbursement Agreement regarding the Working Capital Account dated May 26, 2004.

On the project completion date, as determined by the Agency pursuant to the Construction Contract or the Takeover Agreement, the Agency will notify the Owner and the Owner will promptly pay to the Agency the amounts due in paragraphs (a) through (f):

(a) an initial deposit equal to one-half (1/2) of the estimated annual insurance payments;

and

(b) an amount equal to one-quarter (1/4) of the estimated annual real property taxes or payments in lieu of taxes;

(c) an amount equal to one-quarter (1/4) of the first annual mortgage insurance premium ("MIP") payment pursuant to Section 3 of the Amended First Mortgage Note I, which shall be held by the Agency in the Project's MIP Escrow account, and the full amount of the initial annual MIP payable by the Agency to HUD under First Mortgage Note I in advance for the first year of Project operations pursuant to the HUD regulations/rules for the Risk Sharing Program; and

(d) an amount equal to one-quarter (1/4) of the first annual MIP payment pursuant to Section 3 of the First Mortgage Note II, which shall be held by the Agency in the Project's MIP Escrow account, and the full amount of the initial annual MIP payable by the Agency to HUD under First Mortgage Note II in advance for the first year of Project operations pursuant to the HUD regulations/rules for the Risk

Sharing Program;

Commencing with the Project completion date as determined by the Agency pursuant to the Construction Contract or the Takeover Agreement, and on the first day of each month thereafter, the Owner will pay to the Agency, along with the monthly Servicing Fee, principal and interest payments due under First Mortgage Notes I and II, the following amounts set forth in (e) through (h):

(e) one-twelfth (1/12) of the estimated annual amounts necessary to pay insurance premiums and one-twelfth (1/12) of the estimated annual amounts necessary to pay taxes or payments in lieu of taxes;

(f) one-twelfth (1/12) of the annual Principal, interest and Servicing Fee due under the First Mortgage Notes I and II;

(g) one-twelfth (1/12) of the amount as the Agency may determine pursuant to its established management policy as a reserve for repairs and replacements (the repair and replacement account funding currently required is \$400 per rehab unit per year (\$32,800) plus \$350 per new unit per year (\$86,800). $\$32,800 + \$86,800 = \$119,600 / 12 = \$9,966.67$ per month); and

(h) one-twelfth (1/12) of the annual MIP payments for the Amended First Mortgage Note I and the First Mortgage Note II. Following the initial annual MIP payments, each subsequent annual MIP amount payable to HUD shall be recalculated on the anniversary of the date of the first MIP payment and shall be equal to the sum of the next 12 principal payments due under First Mortgage Note I and First Mortgage Note II, divided by 12, then multiplied by 0.0375. (the sum of the next upcoming 12 principal payments divided by 12 times 0.0375).

If the Agency determines that the payments specified herein are insufficient to insure prompt payment of debt service, taxes, payments in lieu of taxes, insurance premiums, MIP payments, or to properly fund painting, decorating, repair and replacement needs with respect to the Project, then the Agency may require increases in the required payments necessary to assure proper funding.

When the First Mortgage Loan is repaid in full, escrows, to the extent not needed for Project costs, will be refunded to the Owner.

Section 17. Compliance Requirements This Section shall remain unchanged.

Section 18. Lease of Dwelling Units - Maximum Rents This Section shall remain unchanged.

Section 19. Consideration for Lease This Section shall remain unchanged.

Section 20. Tenant Security Deposit This Section shall remain unchanged.

- Section 21. Account for Project Revenues This Section shall remain unchanged.
- Section 22. Inspection of Premises This Section shall remain unchanged.
- Section 23. Books and Records This Section shall remain unchanged.
- Section 24. Management Contract This Section shall remain unchanged.
- Section 25. Prohibited Actions This Section shall remain unchanged.
-
- Section 26. Change of Owner Status This Section shall remain unchanged.
- Section 27. Estoppel This Section shall remain unchanged.
- Section 28. Financing Statements This Section shall remain unchanged.
- Section 29. Assignment This Section shall remain unchanged.
- Section 30. Defaults This Section shall remain unchanged.
- Section 31. Remedies This Section shall remain unchanged.
- Section 32. Anticipatory Breach This Section shall remain unchanged.
- Section 33. Expenses Due to Default This Section shall remain unchanged.
- Section 34. Amendments; Notices; Waivers This Section shall remain unchanged.
- Section 35. Severability This Section shall remain unchanged.
- Section 36. Personal Liability This Section shall remain unchanged.
- Section 37. Counterparts This Section shall remain unchanged.
- Section 38. Disclaimer of Warranties, Liability, Indemnification This Section shall remain unchanged.
- Section 39. Filing This Section shall remain unchanged.
- Section 40. Governing Law This Section shall remain unchanged.

Section 41. Equal Opportunity and Non-Discrimination This Section shall remain unchanged.

Section 42. Investment Funding and Return on Investment This Section shall remain unchanged.

Section 43. Applicability and Conflict of Terms and Conditions This Section shall remain unchanged.

Section 44. Miscellaneous This Section shall remain unchanged.

IN WITNESS WHEREOF, this Agreement is duly executed by the Owner and Agency on the date first set forth above and by signing below, the Owner acknowledges that it has received a true copy of this Agreement, without charge.

By: [Signature] **WHITLOCK MILLS, L.P.**
Margaret A. Manley HTA Whitlock, LLC, its General Partner

By: [Signature]
Wallace L. Scruggs, Managing Member

STATE OF Maryland)
CITY/COUNTY OF Howard) ss:

On this 6th day of June 2007, before me, a Notary Public in and for the jurisdiction aforesaid, personally appeared **Wallace L. Scruggs**, who acknowledged himself to be the Managing Member of HTA Whitlock, LLC, the General Partner of **WHITLOCK MILLS, L.P.**, a limited partnership, and that he, being authorized to do so, executed the foregoing and annexed instrument on behalf of **WHITLOCK MILLS, L.P.**, one of the parties to the foregoing and annexed instrument, as its free act and deed for the uses and purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

[Signature]
Notary Public
My commission expires: Jan. 1, 2010

CAMILLE B. BAUMGARDNER
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires January 1, 2010

[Notarial Seal]


SIGNATURES CONTINUED ON FOLLOWING PAGE

SIGNATURES CONTINUED FROM PRECEDING PAGE

ATTEST

**NEW JERSEY HOUSING AND
MORTGAGE FINANCE AGENCY**


Darryl D. Applegate, Assistant Secretary

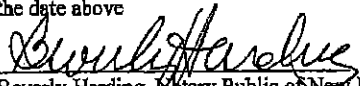
By: 
Leslie S. Lefkowitz, Chief of Regulatory Affairs

STATE OF NEW JERSEY, COUNTY OF MERCER SS

I CERTIFY that on this 12 day of June 2007, Darryl D. Applegate personally came before me, Beverly Harding, a Notary Public of the State of New Jersey, and being duly sworn by me, he acknowledged and made proof to my satisfaction, that he is the Assistant Secretary of the New Jersey Housing and Mortgage Finance Agency, the Agency named in this instrument, that Leslie S. Lefkowitz is the Chief Regulatory Affairs of the Agency, that the execution, as well as the making of this instrument, has been duly authorized by a resolution of the members of the Agency; that this instrument was signed and delivered by the Chief of Regulatory Affairs as and for the voluntary act and deed of the Agency, in his presence and he signed this instrument as the attesting witness.


Darryl D. Applegate, Assistant Secretary

Sworn to and subscribed before me on
the date above


Beverly Harding, Notary Public of New Jersey
My Commission Expires on March 27, 2009

This Agreement has been reviewed and approved as to form.
Stuart Rabner, Attorney General of the State of New Jersey

By: 
Laura M. Shea, Deputy Attorney General

END OF DOCUMENT

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: WHITLOCK MILLS-HUD/NU #140700019

Commitment No: 2007-80012

4. The land referred to in this Commitment is described as follows:

ALL THAT CERTAIN TRACT, PARCEL AND LOT OF LAND LYING AND BEING SITUATE IN THE CITY OF JERSEY CITY, COUNTY OF HUDSON, STATE OF NEW JERSEY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FORMED BY THE INTERSECTION OF FORMER CENTERLINE OF MANNING AVENUE, WITH THE NORTHEASTERLY OF LAFAYETTE STREET; THENCE;

1. SOUTH 31°09'00" EAST ALONG THE NORTHWESTERLY LINE OF LAFAYETTE STREET, A DISTANCE OF 30.04 FEET TO A POINT; THENCE;
2. SOUTH 61°51'00" WEST A DISTANCE OF 30.04 FEET, TO A POINT IN THE FORMER CENTERLINE OF LAFAYETTE STREET (VACATED); THENCE;
3. SOUTH 31°09'00" EAST, ALONG THE FORMER CENTERLINE OF LAFAYETTE STREET A DISTANCE OF 100.14 FEET, TO A POINT; THENCE;
4. SOUTH 61°51'00" WEST, A DISTANCE OF 30.04 FEET, TO A POINT IN THE FORMER SOUTHWESTERLY LINE OF LAFAYETTE STREET; THENCE;
5. NORTH 31°09'00" WEST, ALONG THE FORMER SOUTHWESTERLY LINE OF LAFAYETTE STREET A DISTANCE OF 120.16 FEET, TO A POINT; THENCE;
6. SOUTH 61°51'00" WEST, A DISTANCE OF 164.85 FEET, ALONG THE FORMER SOUTHEASTERLY LINE OF MANNING AVENUE; THENCE;
7. NORTH 30°53'45" WEST A DISTANCE OF 10.02 FEET, TO A POINT IN THE FORMER CENTERLINE OF MANNING AVENUE; THENCE;
8. NORTH 61°51'00" EAST ALONG THE FORMER CENTERLINE OF MANNING AVENUE, A DISTANCE OF 13.30 FEET, TO A POINT; THENCE;
9. NORTH 30°53'45" WEST A DISTANCE OF 196.84 FEET, TO A POINT OF CURVE; THENCE;
10. IN A GENERAL NORTHERLY DIRECTION, CURVING TO THE RIGHT ON A RADIUS OF 409.05 FEET, AN ARC DISTANCE OF 66.27 FEET TO A POINT OF COMPOUND CURVE; THENCE
11. IN A GENERAL NORTHERLY DIRECTION, CURVING TO THE RIGHT ON A RADIUS OF 168.42 FEET, AN ARC DISTANCE OF 109.80 FEET TO A POINT; THENCE
12. NORTH 62°57'40" WEST, 73.25 FEET TO A POINT; THENCE

(Continued on Next Page)

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: WHITLOCK MILLS-HUD/NBU #140700019

Commitment No: 2007-80012

13. SOUTH 58°04'00" WEST, 32.05 FEET TO A POINT; THENCE
14. NORTH 31°09'00" WEST, 125.03 FEET TO A POINT IN THE SOUTHEASTERLY LINE OF M.B. CONRAIL C.R.R. CO. OF N.J., LAFAYETTE BRANCH MAIN STEM; THENCE
15. NORTH 59°02'00" EAST, ALONG SAME, 16.73 FEET TO A POINT; THENCE
16. NORTH 63°02'00" EAST, ALONG SAME, 83.20 FEET TO A POINT; THENCE
17. NORTH 67°17'16" EAST, ALONG SAME, 98.47 FEET TO A POINT; THENCE
18. NORTH 70°02'00" EAST, ALONG SAME, 58.31 FEET TO A POINT; THENCE
19. NORTH 75°02'09" EAST, ALONG SAME, 28.69 FEET TO A POINT; THENCE
20. NORTH 76°02'00" EAST, ALONG SAME, 48.85 FEET TO A POINT; THENCE
21. NORTH 80°17'00" EAST, ALONG SAME, 48.52 FEET TO A POINT; THENCE
22. NORTH 82°47'00" EAST, ALONG SAME, 37.15 FEET TO A POINT; THENCE
23. SOUTH 86°43'00" EAST, ALONG THE SOUTHWESTERLY LINE OF M.B. CONRAIL C.R.R. CO. OF N.J., LAFAYETTE BRANCH MAIN STEM, 86.44 FEET TO A POINT; THENCE
24. SOUTH 80°58'00" EAST, ALONG SAME, 67.59 FEET TO A POINT; THENCE
25. SOUTH 75°43'00" EAST, ALONG SAME, 57.63 FEET TO A POINT; THENCE
26. SOUTH 70°08'00" EAST, ALONG SAME, 149.80 FEET TO A POINT; THENCE
27. SOUTH 14°29'00" WEST, 75.67 FEET TO A POINT; THENCE
28. SOUTH 28°09'00" EAST, 111.44 FEET TO A POINT IN THE TERMINUS OF MAPLE STREET; THENCE
29. SOUTH 61°51'00" WEST, ALONG THE TERMINUS OF MAPLE STREET (60 FEET WIDE) AND ALONG THE FORMER CENTERLINE OF MANNING AVENUE, NOW BEING THE NORTHWESTERLY LINE OF THE (FORMERLY VACATED) SOUTHERLY HALF OF MANNING AVENUE (30 FEET WIDE) A DISTANCE OF 182.47 FEET TO A POINT; THENCE
30. NORTH 28°09'00" WEST, 69.88 FEET TO A POINT; THENCE
31. SOUTH 61°51'00" WEST, 45.75 FEET TO A POINT; THENCE
32. NORTH 30°22'20" WEST, 17.72 FEET TO A POINT; THENCE
33. SOUTH 59°37'40" WEST, 74.60 FEET TO A POINT; THENCE

Page A2 - 2 BK:08255 PG:00091

WTRC 12/04

MAI

MAI 01/22/07 14:48:00

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: WHITLOCK MILLS-HUD/NEU #140700019

Commitment No: 2007-80012

- 34. NORTH 30°22'20" WEST, 130.57 FEET TO A POINT; THENCE
- 35. NORTH 59°37'40" EAST, 46.00 FEET TO A POINT; THENCE
- 36. NORTH 30°22'20" WEST, 90.52 FEET TO A POINT; THENCE
- 37. NORTH 59°37'40" EAST, 74.32 FEET TO A POINT; THENCE

38. SOUTH 30°22'20" EAST, 240.58 FEET TO THE END OF THE ABOVE 30TH COURSE ABOVE GIVEN; THENCE

39. SOUTH 28°09'00" EAST, ALONG SAID 30TH COURSE 69.88 FEET TO A POINT IN THE FORMER CENTERLINE OF MANNING AVENUE, NOW BEING THE NORTHWESTERLY LINE OF THE (FORMERLY VACATED) SOUTHERLY HALF OF MANNING AVENUE; THENCE

40. SOUTH 61°51'00" WEST, ALONG SAME, 276.06 FEET TO THE PLACE OF BEGINNING.

THE PARCEL OF LAND AND PREMISES WITHIN THE ABOVE DESCRIBED COURSES 26 THROUGH 33 INCLUSIVE IS KNOWN AS LOT 17, BLOCK 2057 AND IS NOT INCLUDED IN THE ABOVE DESCRIBED LANDS.

BEING SUBJECT TO A NONEXCLUSIVE INGRESS AND EGRESS EASEMENT BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF LAFAYETTE STREET (60 FEET WIDE) WITH THE SOUTHEASTERLY LINE OF FORMER MANNING AVENUE (60 FEET WIDE) (VACATED 7/19/1955); THENCE

- 1. NORTH 31°09'00" WEST, ALONG THE CENTER LINE OF LAFAYETTE STREET, 74.08 FEET TO A POINT; THENCE
- 2. NORTH 61°51'00" EAST, 209.12 FEET; THENCE
- 3. NORTH 30°22'20" WEST, 41.50 FEET TO A POINT IN THE LINE OF TAX LOT 17, BLOCK 2057; THENCE
- 4. NORTH 59°37'40" EAST, ALONG SAME, 54.50 FEET TO A POINT; THENCE
- 5. SOUTH 30°22'20" EAST, 45.70 FEET TO A POINT; THENCE
- 6. NORTH 61°51'00" EAST, 40.00 FEET TO A POINT; THENCE
- 7. SOUTH 28°09'00" EAST, 41.92 FEET TO A POINT IN THE FORMER CENTER LINE OF MANNING AVENUE (VACATED 7/19/1955); THENCE
- 8. SOUTH 61°51'00" WEST, ALONG SAME, 95.00 FEET TO A POINT; THENCE
- 9. NORTH 28°09'00" WEST, 18.00 FEET TO A POINT; THENCE

PK-58255 PG:00092

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: WHITLOCK MILLS-HUD/NEU #140700019

Commitment No:

2007-80012

10. SOUTH 61°51'00" WEST, 158.37 FEET TO A POINT OF CURVE; THENCE
11. IN A GENERAL SOUTHEASTERLY DIRECTION, CURVING TO THE LEFT ON A RADIUS OF 18.00 FEET, AN ARC DISTANCE OF 29.22 FEET TO A POINT IN THE EXTENDED NORTHEASTERLY LINE OF LAFAYETTE STREET; THENCE
12. SOUTH 11°09'00"EAST, ALONG SAME, 30.04 FEET TO A POINT IN THE FORMER SOUTHEASTERLY LINE OF VACATED MANNING AVENUE; THENCE
13. SOUTH 61°51'00" WEST, ALONG SAME, 30.04 FEET TO THE PLACE OF BEGINNING.

THE FOREGOING DESCRIPTION BEING IN ACCORDANCE WITH A SURVEY PREPARED BY VOLLMER ASSOCIATES, LLP, DATED JUNE 12, 2003 REVISED TO MAY 18, 2004.

BEING ALSO KNOWN AS (REPORTED FOR INFORMATIONAL PURPOSES ONLY):

LOT 28, BLOCK 2057, ON THE OFFICIAL TAX MAP OF THE CITY OF JERSEY CITY, COUNTY OF HUDSON, STATE OF NEW JERSEY.

BK=08255 PG=00093

Page A2 - 4

WPAO 10/04

MAT

MAT 01/22/07 14:48:00

Revised & Return
Beverly Harding, Paralegal
New Jersey Housing & Mortgage
Finance Agency
637 South Clinton Avenue
P.O. Box 18550
Trenton, NJ 08650-2085

000048342 06/03/2004 07:13A
RECEIVED BARBARA A. DONNELLY
AND HUDSON COUNTY
RECORDED REGISTER OF DEEDS
MTG. Rec'd No. 184793
HUD Mortgage No.: 50186-0999-1
Project No.: 031-98015
Page 1

FIRST MORTGAGE
(\$38,365,568)

Whitlock Mills, HMFA #1388

Section 1. PARTIES

This Mortgage (the "First Mortgage"), is made this 26th day of May, 2004 by **WHITLOCK MILLS, L.P.**, (the "Borrower") a limited partnership organized and existing under the laws of the State of Maryland, duly authorized to transact business in the State of New Jersey, and a qualified housing sponsor within the meaning of the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended N.J.S.A. 55:14K-1 et seq., (the "Act"), having its principal office at 6851 Oak Hall Lane, Suite 100, Columbia, MD 21045 and given to the **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**, (the "Lender"), a body corporate and politic and an instrumentality exercising public and essential governmental functions of the State of New Jersey, created pursuant to the Act, having its principal office at 637 South Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085.

Section 2. DEFINITIONS

Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Financing, Deed Restriction and Regulatory Agreement (the "Regulatory Agreement") executed between the Borrower and Lender of even date herewith.

Section 3. BACKGROUND AND PURPOSE

The Borrower will construct and/or rehabilitate and shall own, maintain, and operate the Project and the Land. The Project consists of 330 units of housing in Jersey City, Hudson County, New Jersey. To obtain financing for the Project, the Borrower has applied to the Lender for a First Mortgage Loan pursuant to the provisions of the Act. The Project and the Land constitute a "housing project" as defined in the Act.

In connection with its application for the First Mortgage Loan, the Borrower has furnished to the Lender Project information, including the description of the Land on which the Project is to be situated, plans and specifications for the construction and/or rehabilitation of the Project, the tenant population which is to be housed in the Project, the number of units of each type to be included therein, the estimated cost of providing the Project, information as to the projected income and expenses of the Project once completed and placed in operation and arrangements for the payments in lieu of taxes with respect to the Project. In approving the application and as a basis for providing the First Mortgage Loan, the Lender has relied upon all of the foregoing Project information.

The First Mortgage Loan is evidenced by the First Mortgage Note and is secured by this First Mortgage, which constitutes a valid first lien on the Project and Land. The Lender intends to make the First Mortgage Loan from funds obtained or to be obtained through the issuance of Bonds. To secure payment of the Bonds, if issued, the Lender will pledge payments due from the Borrower from its

BK:11555 PG:00313

repayment of the First Mortgage Loan, when made. As a condition of the Lender's approval of the Borrower's application for the First Mortgage Loan, the Borrower and the Lender have entered into the Loan Documents.

Section 4. FIRST LIEN

This First Mortgage shall be a valid first mortgage lien on the Project and the Land. The Borrower covenants and agrees to maintain its right, title and interest in the Project and the Land and all items enumerated in Section 7 herein free from all liens, security interests, and other encumbrances, except for those liens and encumbrances set forth in Section 13 of the Regulatory Agreement. This First Mortgage shall be subordinate, however, to the provisions of any extended low-income housing covenant for low-income housing tax credits or similar agreement which may be required by the Lender.

Section 5. COVENANT TO PAY FIRST MORTGAGE NOTE

The Borrower hereby promises to pay the First Mortgage Loan, in the principal amount of \$38,365,568 as such amount may be adjusted pursuant to the First Mortgage Note (the "Principal Sum"), plus interest and the Servicing Fee in accordance with the provisions of the First Mortgage Note.

Section 6. ADDITIONAL PAYMENTS BY BORROWER

The Borrower shall make all such additional payments as set forth and detailed in the Regulatory Agreement, including, but not limited to, insurance, taxes or payments in lieu of taxes, the Servicing Fee, escrows and reserves.

Section 7. GRANTING CLAUSES

In order to secure to the Lender, the punctual payment by the Borrower of the Principal Sum, plus interest, the Servicing Fee and all sums due or to become due under the provisions of the Loan Documents and the payment and performance of all obligations of the Borrower under the Loan Documents, the Borrower hereby mortgages, pledges, assigns and grants to the Lender a security interest in the items listed below. The Borrower acknowledges that the Lender's security interest in the following items is perfected upon execution of this First Mortgage.

1. all of the Borrower's right, title and interest in the Project and in the Land, including, without limitation, all improvements existing or hereafter erected thereon, the legal description of the Land being set forth in the attached Schedule "A";
2. all the Borrower's right, title and interest in and to the beds of streets, roads and avenues open or proposed, adjacent or appurtenant to the Project and the Land and any easements, rights of way, licenses and other rights in favor of the Project and/or the Land over other premises;
3. any award made in the nature of compensation for condemnation or appropriation with respect to the Project and/or the Land by any governmental body, including awards or damages with

respect or matters other than a direct taking which nonetheless affect the Project and/or the Land. The Borrower hereby assigns any such awards or damages to the Lender, and in addition, for itself and its successors and assigns, appoints the Lender and any subsequent holder of the First Mortgage Note and this First Mortgage its Attorney-in-Fact, and empowers such Attorney at its option, on behalf of the Borrower, to adjust or compromise any such claims, to collect any proceeds and to execute in the Borrower's name any documents necessary to affect such collection. The Lender is empowered to endorse any checks representing these proceeds, and after deducting any expenses incurred in the collection, to apply the net proceeds as a credit upon any portion of the First Mortgage Loan after payment of any Servicing Fees and interest due and payable as provided in the First Mortgage Note and Regulatory Agreement;

4. all fixtures or other tangible personal property now or hereafter situated on the Project and/or the Land or installed or placed in the buildings located thereon including, without limitation, stoves, refrigerators and other appliances;

5. all federal and state subsidy payments to which the Borrower is or will be entitled with respect to the Project and/or the Land;

6. all rent payable by tenants with respect to any part of the Project and/or the Land, such rents being assigned to the Lender as set forth in Section 8 below and in the Assignment of Leases to be executed simultaneously with but recorded separately from this First Mortgage, and any other revenues from the Project and/or the Land, including fees derived from laundry, parking, licenses and other facilities or interests;

7. all amounts payable to or recoverable by the Borrower under the terms of the contract for the construction and/or rehabilitation of the Project and any surety bond or other security issued in connection therewith;

8. all rights under and amounts recovered under warranties as to quality or performance of any material, part, sub-assembly, appliance or other component part of the Project;

9. all reserves and escrows created pursuant to the terms of the Loan Documents;

10. all proceeds of casualty or other insurance on the Project or any part thereof;

11. any real estate tax or payment in lieu of tax rebates or refunds which the Borrower is entitled to receive;

12. any amounts in the Project accounts described in the Regulatory Agreement and any other Project funds.

13. all syndication proceeds paid or payable to the Borrower, such amount being \$8,872,125.

This First Mortgage shall be effective as a fixture filing pursuant to N.J.S.A. 12 A: 9-502c, shall cover all collateral set forth in this Section 7 and in Schedule B attached hereto in which a security interest may be perfected by such fixture filing, and shall remain as a perfected first security interest therein until the First Mortgage is released or satisfied of record or its effectiveness otherwise terminates, as set forth in N.J.S.A. 12 A:9-515h.

Section 8. ASSIGNMENT OF LEASES AND RENTS

The Borrower assigns, transfers and sets over unto the Lender, all of the Borrower's right, title and interest in, to and under all leases and rents between the Borrower and any present or prospective tenant or sublessee as well as all Federal and state subsidy payments to which the Borrower is or will be entitled with respect to the Project and/or the Land. As long as no Event of Default exists under the Loan Documents, the Borrower may collect the rents under the leases or from the rental of the Project and/or the Land. The Lender may exercise its rights under this assignment upon the occurrence of an Event of Default under the Loan Documents.

Upon the payment of the Principal Sum, plus interest and the Servicing Fee, this assignment shall become and be void and of no effect, but a notarized affidavit of any officer or attorney of the Lender declaring that any part of Principal Sum remains unpaid shall be sufficient evidence of the validity, effectiveness and continuing force of this assignment as to any person liable under the aforesaid leases or rentals. A demand on the tenants or sublessees by the Lender for the payment of rent shall be sufficient warrant to said tenant to make future payment of rent to the Lender without the necessity for further consent by the Borrower.

Neither this assignment nor any act done or omitted by the Lender pursuant to the powers and rights granted to it by this assignment shall be deemed to be a waiver by the Lender of its rights and remedies under the Loan Documents and this assignment is made and accepted without prejudice to any of the rights and remedies possessed by the Lender under the terms of the Loan Documents. The right of the Lender to collect the Principal Sum plus interest and the Servicing Fee and/or to enforce any other rights and remedies of the Lender under the Loan Documents may be exercised either simultaneously with, or subsequent to any action taken by the Lender under this assignment and notwithstanding whether or not any action is taken by the Lender under this assignment.

Notwithstanding any of the terms and conditions of the assignment, the Lender shall not have any obligation to any tenant or sublessee until the Lender makes a demand on the tenant or sublessee and upon such demand, the Lender shall have the rights of the Borrower under the subject lease.

Section 9. INCORPORATION OF REGULATORY AGREEMENT; CONFLICT

All provisions of the Regulatory Agreement are hereby incorporated by reference into this First Mortgage and made a part hereof. The Borrower hereby agrees, acknowledges, and understands that the terms and conditions of this First Mortgage include all terms and conditions of the Regulatory Agreement

and that it is to look to both documents in connection with all rights, duties, obligations, liabilities, warranties, representations, covenants and other terms as if both were a single document. Reference to any specific provision to be found in the Regulatory Agreement is not intended or to be construed as excluding any other provisions not specifically referenced. The Borrower hereby acknowledges that it has received a true copy of the fully executed Regulatory Agreement. Further, should any of the provisions of this First Mortgage conflict with any provisions of the Regulatory Agreement, the Regulatory Agreement shall govern.

Section 10. DEFAULTS; REMEDIES

The events of default under this First Mortgage and the remedies of the Lender shall be as specifically set forth in the Regulatory Agreement.

Section 11. SEVERABILITY

The invalidity of any part or provision hereof shall not affect the validity, legality or enforceability of the remaining portions hereof, and to this end the provisions of this First Mortgage shall be severable.

Section 12. SUCCESSORS AND ASSIGNS

The Borrower hereby consents to any assignment of this First Mortgage by the Lender. No assignment or delegation of this First Mortgage by the Borrower is permitted unless approved in writing by the Lender. If assigned, all rights, duties, obligations and interest arising under this First Mortgage shall bind and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

Section 13. PERSONAL LIABILITY

Notwithstanding any other provision contained in this First Mortgage or the other Loan Documents, the Lender agrees, on behalf of itself and any future holder of the First Mortgage Note, that the liability of the Borrower, any general or limited partner, member or shareholder of the Borrower and their respective heirs, representatives, successors and assigns, for the payment of its obligations under the Loan Documents, including, without limitation, the payment of principal and interest due and other charges due hereunder and thereunder, shall be limited to the collateral pledged under this First Mortgage and the other Loan Documents, and that the Lender shall have no right to seek a personal judgment against the Borrower, any general or limited partner, member or shareholder of the Borrower, or their respective heirs, representatives, successors and assigns, individually, except to the extent necessary to subject the collateral pledged under this First Mortgage and the other Loan Documents to the satisfaction of the mortgage debt; provided, however, that the Lender shall retain the right to exercise any and all remedies granted to it under this First Mortgage and the other Loan Documents, including without limitation the right to sue for injunctive or other equitable relief. The foregoing limitation of liability shall not apply to any party to the extent such party has committed fraudulent, criminal or unlawful acts and shall not apply to such amounts

that may be due to the Lender pursuant to Sections 11, 12, 13, 14, 15(c) through (e), 33 and 42 of the Regulatory Agreement.

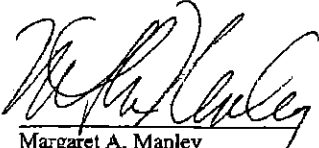
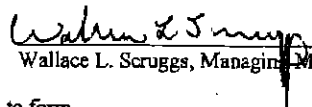
Section 14. COUNTERPARTS

This First Mortgage may be executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

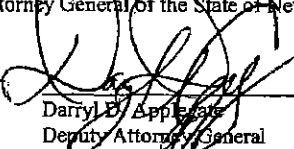
Section 15. MORTGAGE TERM; DISCHARGE OF LIEN OF MORTGAGE

The term of this First Mortgage shall run through the estimated maturity date of July 1, 2046, as set forth in the First Mortgage Note. Upon the payment of the Principal Sum, plus interest and the Servicing Fee due and performance by the Borrower of all of its obligations under this First Mortgage and the First Mortgage Note, this First Mortgage and the lien created hereby, and all covenants, agreements and other obligations of the Borrower hereunder, shall cease, terminate and become void and be discharged and satisfied. In such event, the Lender shall, at the expense of the Borrower, execute any and all instruments reasonably required to evidence the satisfaction, cancellation and discharge of this First Mortgage. The repayment of the Principal Sum plus interest and Servicing Fee and the discharge of the lien of this First Mortgage, shall not affect the Borrower's obligations that continue under the terms of the Regulatory Agreement, the Borrower acknowledging that the continuing effectiveness of the Regulatory Agreement and the Borrower's obligations thereunder shall be determined by its own terms subsequent to the discharge of this First Mortgage.

IN WITNESS WHEREOF, this First Mortgage is duly executed by the Borrower on the date set forth in Section 1 and by signing below, the Borrower acknowledges that it has received a true copy of this First Mortgage, without charge.

By: 	By: 
Margaret A. Manley	Wallace L. Scruggs, Managing Member

This Mortgage has been reviewed and approved as to form.
Attorney General of the State of New Jersey

By: 
Darryl B. Apple
Deputy Attorney General

HUD Mortgage No.: 30186-0999-7

Project No.: 031-98015

Page 7

STATE OF NEW JERSEY, COUNTY OF MERCER

BE IT REMEMBERED, that on this 26th day of May, 2004 before me, the Subscriber, an officer duly authorized pursuant to N.J.S.A. 46:14-6 to take acknowledgements for use in the State of New Jersey, personally appeared Wallace L. Scruggs, Limited Partner of Whitlock Mills, L.P., who I am satisfied is the person who executed the within Instrument, and I having first made known to him the contents thereof, he did thereupon acknowledge that the said Instrument signed, sealed and delivered by him as such President, is the voluntary act and deed of said corporation, made by virtue of a resolution of its Board, for the uses and purposes therein expressed.

Sworn and subscribed before me:


Beverly Harding
Notary Public of New Jersey

My Commission Expires March 27, 2009

BK:11555 PG:00319

Schedule B

FIXTURE FILING— DESCRIPTION OF COLLATERAL:

All personal property of the Debtor now or hereafter used in the operation of or for the benefit of, or located upon or attached to the real property described herein, including but not limited to all fixtures, equipment, machinery and elevators; all gas and electric appliances, engines, motors, all boilers, radiators, heaters, and furnaces; all electronic, electrical, lighting, heating, ventilating and air conditioning systems; all stoves, ranges and cooking equipment; all tubs, basins, sinks, pipes, water heaters, faucets and plumbing fixtures; all refrigerators, washing machines, laundry tubs and dryers; all awnings, screens, shades, venetian blinds, carpeting and office, common or lobby area furniture, furnishings, cabinets, fixtures, building materials and plantings; all contract rights to receive capital contributions under the commitment from Boston Capital and the Amended and Restated Agreement of Limited Partnership admitting Boston Capital to the Debtor entity; all project deposit accounts; all accounts, documents, commercial paper, chattels, negotiable instruments, general intangibles, rents, leases, goods, inventory and including any fittings, attachments, accessories, component parts, replacements or replacement parts, additions, accretions and/or substitutions of or to any of the above-listed types or items of collateral. The proceeds of the collateral are also covered.

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: PIMIENTA/WHITLOCK/NEU #140300551

Commitment No: 2403-80021

4. The land referred to in this Commitment is described as follows:

ALL THAT CERTAIN TRACT, PARCEL AND LOT OF LAND LYING AND BEING SITUATE IN THE CITY OF JERSEY CITY, COUNTY OF HUDSON, STATE OF NEW JERSEY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FORMED BY THE INTERSECTION OF FORMER CENTERLINE OF MANNING AVENUE, WITH THE NORTHEASTERLY OF LAFAYETTE STREET; THENCE;

1. SOUTH $31^{\circ}09'00''$ EAST ALONG THE NORTHWESTERLY LINE OF LAFAYETTE STREET, A DISTANCE OF 30.04 FEET TO A POINT; THENCE;
2. SOUTH $61^{\circ}51'00''$ WEST A DISTANCE OF 30.04 FEET, TO A POINT IN THE FORMER CENTERLINE OF LAFAYETTE STREET (VACATED); THENCE;
3. SOUTH $31^{\circ}09'00''$ EAST, ALONG THE FORMER CENTERLINE OF LAFAYETTE STREET A DISTANCE OF 100.14 FEET, TO A POINT; THENCE;
4. SOUTH $61^{\circ}51'00''$ WEST, A DISTANCE OF 30.04 FEET, TO A POINT IN THE FORMER SOUTHWESTERLY LINE OF LAFAYETTE STREET; THENCE;
5. NORTH $31^{\circ}09'00''$ WEST, ALONG THE FORMER SOUTHWESTERLY LINE OF LAFAYETTE STREET A DISTANCE OF 120.16 FEET, TO A POINT; THENCE;
6. SOUTH $61^{\circ}51'00''$ WEST, A DISTANCE OF 164.85 FEET, ALONG THE FORMER SOUTHEASTERLY LINE OF MANNING AVENUE; THENCE;
7. NORTH $30^{\circ}53'45''$ WEST A DISTANCE OF 10.02 FEET, TO A POINT IN THE FORMER CENTERLINE OF MANNING AVENUE; THENCE;
8. NORTH $61^{\circ}51'00''$ EAST ALONG THE FORMER CENTERLINE OF MANNING AVENUE, A DISTANCE OF 13.30 FEET, TO A POINT; THENCE;
9. NORTH $30^{\circ}53'45''$ WEST A DISTANCE OF 196.84 FEET, TO A POINT OF CURVE; THENCE;
10. IN A GENERAL NORTHERLY DIRECTION, CURVING TO THE RIGHT ON A RADIUS OF 409.05 FEET. AN ARC DISTANCE OF 66.27 FEET TO A POINT OF COMPOUND CURVE; THENCE
11. IN A GENERAL NORTHERLY DIRECTION, CURVING TO THE RIGHT ON A RADIUS OF 168.42 FEET, AN ARC DISTANCE OF 109.80 FEET TO A POINT; THENCE
12. NORTH $62^{\circ}57'40''$ WEST, 73.25 FEET TO A POINT; THENCE

(Continued on Next Page)

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: PIMIENTA/WEITLOCK/NEU #140300551

Commitment No: 2403-80021

13. SOUTH 58°04'00" WEST, 32.05 FEET TO A POINT; THENCE
14. NORTH 31°09'00" WEST, 125.03 FEET TO A POINT IN THE SOUTHEASTERLY LINE OF M.S. CONRAIL C.R.R. CO. OF N.J., LAFAYETTE BRANCH MAIN STEM; THENCE
15. NORTH 59°02'00" EAST, ALONG SAME, 16.73 FEET TO A POINT; THENCE
16. NORTH 63°02'00" EAST, ALONG SAME, 93.20 FEET TO A POINT; THENCE
17. NORTH 67°17'16" EAST, ALONG SAME, 98.47 FEET TO A POINT; THENCE
18. NORTH 70°02'00" EAST, ALONG SAME, 58.31 FEET TO A POINT; THENCE
19. NORTH 75°02'00" EAST, ALONG SAME, 28.69 FEET TO A POINT; THENCE
20. NORTH 76°02'00" EAST, ALONG SAME, 48.85 FEET TO A POINT; THENCE
21. NORTH 80°17'00" EAST, ALONG SAME, 48.52 FEET TO A POINT; THENCE
22. NORTH 82°47'00" EAST, ALONG SAME, 17.15 FEET TO A POINT; THENCE
23. SOUTH 86°43'00" EAST, ALONG THE SOUTHWESTERLY LINE OF M.S. CONRAIL C.R.R. CO. OF N.J., LAFAYETTE BRANCH MAIN STEM, 86.44 FEET TO A POINT; THENCE
24. SOUTH 80°58'00" EAST, ALONG SAME, 67.59 FEET TO A POINT; THENCE
25. SOUTH 75°43'00" EAST, ALONG SAME, 57.63 FEET TO A POINT; THENCE
26. SOUTH 70°08'00" EAST, ALONG SAME, 249.80 FEET TO A POINT; THENCE
27. SOUTH 14°29'00" WEST, 75.67 FEET TO A POINT; THENCE
28. SOUTH 28°09'00" EAST, 111.44 FEET TO A POINT IN THE TERMINUS OF MAPLE STREET; THENCE
29. SOUTH 61°51'00" WEST, ALONG THE TERMINUS OF MAPLE STREET (60 FEET WIDE) AND ALONG THE FORMER CENTERLINE OF MANNING AVENUE, NOW BEING THE NORTHWESTERLY LINE OF THE (FORMERLY VACATED) SOUTHERLY HALF OF MANNING AVENUE (30 FEET WIDE) A DISTANCE OF 182.47 FEET TO A POINT; THENCE
30. NORTH 28°09'00" WEST, 69.88 FEET TO A POINT; THENCE
31. SOUTH 61°51'00" WEST, 45.75 FEET TO A POINT; THENCE
32. NORTH 30°22'20" WEST, 17.72 FEET TO A POINT; THENCE
33. SOUTH 59°37'40" WEST, 74.60 FEET TO A POINT; THENCE

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: PIMIENTA/WHITLOCK/NEO #140300551

Commitment No: 2403-80021

34. NORTH 30°22'20" WEST, 130.57 FEET TO A POINT; THENCE

35. NORTH 59°37'40" EAST, 46.00 FEET TO A POINT; THENCE

36. NORTH 30°22'20" WEST, 90.52 FEET TO A POINT; THENCE

37. NORTH 59°37'40" EAST, 74.32 FEET TO A POINT; THENCE

38. SOUTH 30°22'20" EAST, 240.58 FEET TO THE END OF THE ABOVE 30TH COURSE
ABOVE GIVEN; THENCE

39. SOUTH 28°09'00" EAST, ALONG SAID 30TH COURSE 69.88 FEET TO A POINT IN THE
FORMER CENTERLINE OF MANNING AVENUE, NOW BEING THE NORTHWESTERLY LINE OF THE
(FORMERLY VACATED) SOUTHERLY HALF OF MANNING AVENUE; THENCE

40. SOUTH 61°51'00" WEST, ALONG SAME, 276.06 FEET TO THE PLACE OF BEGINNING.

THE PARCEL OF LAND AND PREMISES WITHIN THE ABOVE DESCRIBED COURSES 26 THROUGH
33 INCLUSIVE IS KNOWN AS LOT 17, BLOCK 2057 AND IS NOT INCLUDED IN THE ABOVE
DESCRIBED LANDS.

BEING SUBJECT TO A NONEXCLUSIVE INGRESS AND EGRESS EASEMENT BEING DESCRIBED
AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF LAFAYETTE STREET (60 FEET
WIDE) WITH THE SOUTHEASTERLY LINE OF FORMER MANNING AVENUE (60 FEET WIDE)
(VACATED 7/19/1955); THENCE

1. NORTH 31°09'00" WEST, ALONG THE CENTER LINE OF LAFAYETTE STREET, 74.08
FEET TO A POINT; THENCE

2. NORTH 61°51'00" EAST, 209.12 FEET; THENCE

3. NORTH 30°22'20" WEST, 41.50 FEET TO A POINT IN THE LINE OF TAX LOT 17,
BLOCK 2057; THENCE

4. NORTH 59°37'40" EAST, ALONG SAME, 54.50 FEET TO A POINT; THENCE

5. SOUTH 30°22'20" EAST, 45.70 FEET TO A POINT; THENCE

6. NORTH 61°51'00" EAST, 40.00 FEET TO A POINT; THENCE

7. SOUTH 28°09'00" EAST, 41.92 FEET TO A POINT IN THE FORMER CENTER LINE OF
MANNING AVENUE (VACATED 7/19/1955); THENCE

8. SOUTH 61°51'00" WEST, ALONG SAME, 95.00 FEET TO A POINT; THENCE

9. NORTH 28°09'00" WEST, 18.00 FEET TO A POINT; THENCE

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: FLMIENTA/WHITLOCK/NEU #140300551

Commitment No: 2403-80021

10. SOUTH 61°51'00" WEST, 158.37 FEET TO A POINT OF CURVE; THENCE

11. IN A GENERAL SOUTHEASTERLY DIRECTION, CURVING TO THE LEFT ON A RADIUS OF 18.00 FEET, AN ARC DISTANCE OF 29.22 FEET TO A POINT IN THE EXTENDED NORTHEASTERLY LINE OF LAFAYETTE STREET; THENCE

12. SOUTH 31°09'00"EAST, ALONG SAME, 30.04 FEET TO A POINT IN THE FORMER SOUTHEASTERLY LINE OF VACATED MANNING AVENUE; THENCE

13. SOUTH 61°51'00" WEST, ALONG SAME, 30.04 FEET TO THE PLACE OF BEGINNING.

THE FOREGOING DESCRIPTION BEING IN ACCORDANCE WITH A SURVEY PREPARED BY VOLLMER ASSOCIATES, LLP, DATED JUNE 12, 2003 REVISED TO MAY 18, 2004.

BEING ALSO KNOWN AS (REPORTED FOR INFORMATIONAL PURPOSES ONLY):

LOT 18, BLOCK 2057, ON THE OFFICIAL TAX MAP OF THE CITY OF JERSEY CITY.

HUD Mortgage No.: 30186-0999-7

Project No.: 031-98015

Page 1

RECORD AND RETURN TO:
Beverly Harding, Paralegal
New Jersey Housing & Mortgage
Finance Agency
637 S. Clinton Avenue
PO Box 18550
Trenton, NJ 08650-2085

001018340
RECEIVED
AND
RECORDED
REL

06/29/2007 08:51A
WILLIE L. FLOOD
HUDSON COUNTY
REGISTER OF DEEDS
Receipt No. 395971

Whitlock Mills, HMFA #1388

AMENDED FIRST MORTGAGE AND SECURITY AGREEMENT
(\$40,415,568)

This Amended First Mortgage and Security Agreement is necessary because the Lender is increasing the First Mortgage Loan amount, the Borrower is giving the Lender a First Mortgage Note II to evidence the additional debt and to incorporate certain other related revisions to the original First Mortgage. Except as specifically amended herein all of the terms of the original First Mortgage dated May 26, 2004 shall remain in full force and effect.

Section 1. PARTIES

This Amended First Mortgage and Security Agreement (the "Amended Mortgage"), entered into on this 12 day of June 2007, amends that certain First Mortgage dated May 26, 2004, and recorded by the Hudson County Register in Mortgage Book 11555, Page 313, by WHITLOCK MILLS, L.P., (the "Borrower") a limited partnership organized and existing under the laws of the State of Maryland, duly authorized to transact business in the State of New Jersey, a qualified housing sponsor within the meaning of the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended N.J.S.A. 55:14K-1 et seq., (the "Act") and a single asset/sole purpose Mortgagor, having its principal office at 6851 Oak Hall Lane, Suite 100, Columbia, MD 21045, and given to the NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY, (the "Lender"), a body corporate and politic and an instrumentality exercising public and essential governmental functions of the State of New Jersey, created pursuant to the Act, having its principal office at 637 South Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085.

Section 2. DEFINITIONS

Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Amended Financing, Deed Restriction and Regulatory Agreement (the "Amended Agreement") executed between the Borrower and Lender of even date herewith.

Section 3. BACKGROUND AND PURPOSE

BK:00601 PG:00014

The first and second paragraphs of this section shall remain unchanged.

CHICAGO TITLE INSURANCE COMPANY
TWO UNIVERSITY PLAZA
PLAZA 14
HACKENSACK, NEW JERSEY 07601

11 pgs. 13018

The third paragraph of this section is amended as follows:

The First Mortgage Loan is evidenced by the First Mortgage Notes I and II and is secured by this Amended Mortgage, which constitutes a valid first lien on the Project and Land. The Lender intends to make the First Mortgage Loan from funds obtained or to be obtained through the issuance of Bonds. To secure payment of the Bonds, if issued, the Lender will pledge payments due from the Borrower from its repayment of the First Mortgage Loan, when made. As a condition of the Lender's approval of the Borrower's application for the First Mortgage Loan, the Borrower and the Lender have entered into the Loan Documents.

Section 4. FIRST LIEN This Section shall remain unchanged.

Section 5. COVENANT TO PAY FIRST MORTGAGE NOTES

This section is amended as follows:

The Borrower hereby promises to pay the First Mortgage Loan, in the principal amount of \$40,415,568 as such amount may be adjusted pursuant to the First Mortgage Notes I and II (the "Principal Sum"), plus interest, Servicing Fees and Mortgage Insurance Premiums in accordance with the provisions of the First Mortgage Notes I and II.

Section 7. GRANTING CLAUSES

This section is amended as follows:

In order to secure to the Lender the punctual payment by the Borrower of the Principal Sum, plus interest, the Servicing Fee and all sums due or to become due under the provisions of the Loan Documents and the payment and performance of all obligations of the Borrower under the Loan Documents, the Borrower hereby mortgages, pledges, assigns and grants to the Lender a security interest in the items listed below (the "Collateral").

The Borrower hereby agrees, represents, warrants and acknowledges that the Lender's security interest in the following items is perfected upon execution of this First Mortgage:

1. all of the Borrower's right, title and interest in the Project and in the Land, including, without limitation, all improvements existing or hereafter erected thereon, the legal description of the Land being set forth in the attached Schedule "A";
2. all the Borrower's right, title and interest in and to the beds of streets, roads and avenues open or proposed, adjacent or appurtenant to the Project and the Land and any easements, rights of way, licenses and other rights in favor of the Project and/or the Land over other premises;
3. any award made in the nature of compensation for condemnation or appropriation with respect to the Project and/or the Land by any governmental body, including awards or damages with respect or matters other than a direct taking which nonetheless affect the Project and/or the Land. The Borrower hereby assigns any such awards or damages to the Lender and, in addition, for itself and its successors and assigns, appoints the Lender and any subsequent holder of the First Mortgage Note and this First Mortgage its attorney-in-fact,

and empowers such attorney at its option, on behalf of the Borrower, to adjust or compromise any such claims, to collect any proceeds and to execute in the Borrower's name any documents necessary to affect such collection. The Lender is empowered to endorse any checks representing these proceeds, and after deducting any expenses incurred in the collection, to apply the net proceeds as a credit upon any portion of the First Mortgage Loan after payment of any Servicing Fees and interest due and payable as provided in the First Mortgage Note and Regulatory Agreement;

4. all personal property of the Borrower now or hereafter used in the operation of or for the benefit of, or located upon or attached to the real property described herein, including but not limited to all fixtures, equipment, machinery and elevators; all gas and electric appliances, engines, motors, all boilers, radiators, heaters, and furnaces; all electronic, electrical, lighting, heating, ventilating and air conditioning systems; all stoves, ranges and cooking equipment; all tubs, basins, sinks, pipes, water heaters, faucets and plumbing fixtures; all refrigerators, washing machines, laundry tubs and dryers; all awnings, screens, shades, venetian blinds, carpeting and office, common or lobby area furniture, furnishings, cabinets, fixtures, building materials and plantings; all project deposit accounts; all accounts, documents, commercial paper, chattels, negotiable instruments, general intangibles, rents, leases, goods, inventory and including any fittings, attachments, accessories, component parts, replacements or replacement parts, additions, accretions and/or substitutions of or to any of the above-listed types of items of collateral. The proceeds of the collateral are also covered;

5. all federal and State subsidy payments to which the Borrower is or will be entitled with respect to the Project and/or the Land;

6. all rent payable by tenants with respect to any part of the Project and/or the Land, such rents being assigned to the Lender as set forth in Section 8 below and in the Assignment of Leases to be executed simultaneously with but recorded separately from this First Mortgage, and any other revenues from the Project and/or the Land, including fees derived from laundry, parking, licenses and other facilities or interests;

7. all amounts payable to or recoverable by the Borrower under the terms of the contract for the construction and/or rehabilitation of the Project and any surety bond or other security issued in connection therewith;

8. all rights under and amounts recovered under warranties as to quality or performance of any material, part, sub-assembly, appliance or other component part of the Project;

9. all reserves and escrows created pursuant to the terms of the Loan Documents;

10. all proceeds of condemnation, casualty or other insurance on the Project or any part thereof;

11. any real estate tax or payment in lieu of tax rebates or refunds which the Borrower is entitled to receive;

12. any amounts in the Project accounts described in the Regulatory Agreement and any other

Project funds; and

13. all syndication proceeds paid or payable to the Borrower.
14. all proceeds, products, replacements, additions, substitutions, renewals and accessions of any of the foregoing.

The security interest granted in this agreement shall continue in full force and effect until the Mortgagor has fully paid and discharged all of the indebtedness and until this Agreement is terminated.

This Mortgage shall constitute a Security Agreement and shall be effective as a fixture filing under the UCC Secured Transactions, N.J.S.A. 12A:9-101, et seq. Mortgagor authorizes the Mortgagee to file and refile such financing statements, continuation statements or security agreements as the Mortgagee shall require from time to time.

Section 8. ASSIGNMENT OF LEASES AND RENTS

This section is amended as follows:

The Borrower assigns, transfers and sets over unto the Lender, all of the Borrower's right, title and interest in, to and under all leases and rents between the Borrower and any present or prospective tenant or sublessee as well as all federal and state subsidy payments to which the Borrower is or will be entitled with respect to the Project and/or the Land. As long as no Event of Default exists, the Borrower shall have a license to collect the rents under the leases or from the rental of the Project and/or the Land, and any other items assigned hereunder. Upon the occurrence of an Event of Default under the Loan Documents, said license shall terminate until such default shall have been fully cured. The Lender may exercise its rights under this assignment upon the occurrence of an Event of Default under the Loan Documents.

Neither this assignment nor any act done or omitted by the Lender pursuant to the powers and rights granted to it by this assignment shall be deemed to be a waiver by the Lender of its rights and remedies under the Loan Documents and this assignment is made and accepted without prejudice to any of the rights and remedies possessed by the Lender under the terms of the Loan Documents. The right of the Lender to collect the Principal Sum plus interest and the Servicing Fee and/or to enforce any other rights and remedies of the Lender under the Loan Documents may be exercised either simultaneously with, independent of or subsequent to any action taken by the Lender under this assignment and notwithstanding whether or not any action is taken by the Lender under this assignment.

Notwithstanding any of the terms and conditions of this assignment, the Lender shall not have any obligation to any tenant or sublessee until the Lender makes a demand on the tenant or sublessee and Borrower shall indemnify and hold Lender harmless against any and all liability, loss or damage for claims that may be asserted against Lender by reason of any alleged obligation to be performed by Lender under the subject leases. Upon such demand, the Lender shall have the rights of the Borrower under the subject lease.

Section 9. INCORPORATION OF AMENDED REGULATORY AGREEMENT; CONFLICT

BK:00601 PG:00017

This section is amended as follows:

All provisions of the Amended Regulatory Agreement are hereby incorporated by reference into this Amended Mortgage and made a part hereof. The Borrower hereby agrees, acknowledges, and understands that the terms and conditions of this Amended Mortgage include all terms and conditions of the Amended Regulatory Agreement and that it is to look to both documents in connection with all rights, duties, obligations, liabilities, warranties, representations, covenants and other terms as if both were a single document. Reference to any specific provision to be found in the Amended Regulatory Agreement is not intended or to be construed as excluding any other provisions not specifically referenced. The Borrower hereby acknowledges that it has received a true copy of the fully executed Amended Regulatory Agreement. Further, should any of the provisions of this Amended Mortgage conflict with any provisions of the Amended Regulatory Agreement, the Amended Regulatory Agreement shall govern.

Section 10. DEFAULTS; REMEDIES

This section is amended as follows:

The events of default under this Amended Mortgage and the remedies of the Lender shall be as specifically set forth in the Amended Regulatory Agreement.

Section 11. SEVERABILITY This Section shall remain unchanged.

Section 12. SUCCESSORS AND ASSIGNS This Section shall remain unchanged.

Section 13. PERSONAL LIABILITY This Section shall remain unchanged.

Section 14. COUNTERPARTS

This section is amended as follows:

This Amended Mortgage may be executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Section 15. MORTGAGE TERM; DISCHARGE OF LIEN OF MORTGAGE

This section is amended as follows:

The term of this Amended Mortgage shall run through the estimated maturity date of July 1, 2046, as set forth in the First Mortgage Notes I and II. Upon the payment of the Principal Sum, plus interest and the Servicing Fees due and performance by the Borrower of all of its obligations under this Amended Mortgage and the First Mortgage Notes, this Amended Mortgage and the lien created hereby, and all covenants, agreements and other obligations of the Borrower hereunder, shall cease, terminate and become void and be discharged and satisfied. In such event, the Lender shall, at the expense of the Borrower, execute any and all instruments reasonably required to evidence the satisfaction, cancellation and discharge of this Amended Mortgage. The repayment of the Principal Sum plus interest and Servicing Fee and the discharge of the lien of this Amended Mortgage, shall not affect the Borrower's obligations that continue under the terms of the

Amended Regulatory Agreement, the Borrower acknowledging that the continuing effectiveness of the Amended Regulatory Agreement and the Borrower's obligations thereunder shall be determined by its own terms subsequent to the discharge of this Amended Mortgage.

IN WITNESS WHEREOF, this Amended Mortgage is duly executed by the Borrower on the date set forth in Section 1 and by signing below, the Borrower acknowledges that it has received a true copy of this Amended Mortgage, without charge.

WHITLOCK MILLS, L.P.

By: HTA Whitlock, LLC, its General Partner

By: Margaret A. Manley

By: Wallace L. Scruggs
Wallace L. Scruggs, Managing Member

This Mortgage has been reviewed and approved as to form.
Stuart Rabner, Attorney General of New Jersey

By: Laura M. Shea
Laura M. Shea
Deputy Attorney General

STATE OF MARYLAND)
CITY/COUNTY OF Howard) ss:

On this 6th day of June, 2007, before me, a Notary Public in and for the jurisdiction aforesaid, personally appeared Wallace L. Scruggs, who acknowledged himself to be the Managing Member of HTA Whitlock, LLC, the General Partner of Whitlock Mills, L.P., a limited partnership, and that he, being authorized to do so, executed the foregoing and annexed instrument as the Managing Member of the General Partner and on behalf of Whitlock Mills, L.P., one of the parties to the foregoing and annexed instrument, as its free act and deed for the uses and purposes therein contained.

N WITNESS WHEREOF, I hereunto set my hand and official seal.

Camille B. Baumgardner

Notary Public
My commission expires: Jan. 1, 2010

BK=00601 PG=00019

[Notarial Seal]

CAMILLE B. BAUMGARDNER
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires January 1, 2010

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: WHITLOCK MILLS-HUD/MSU #140700019

Commitment No: 2007-80012

10. SOUTH 61°51'00" WEST, 158.37 FEET TO A POINT OF CURVE; THENCE
11. IN A GENERAL SOUTHEASTERLY DIRECTION, CURVING TO THE LEFT ON A RADIUS OF 18.00 FEET, AN ARC DISTANCE OF 29.22 FEET TO A POINT IN THE EXTENDED NORTHEASTERLY LINE OF LAFAYETTE STREET; THENCE
12. SOUTH 31°09'00"EAST, ALONG SAME, 30.04 FEET TO A POINT IN THE FORMER SOUTHEASTERLY LINE OF VACATED MANNING AVENUE; THENCE
13. SOUTH 61°51'00" WEST, ALONG SAME, 30.04 FEET TO THE PLACE OF BEGINNING.

THE FOREGOING DESCRIPTION BEING IN ACCORDANCE WITH A SURVEY PREPARED BY VOLLMER ASSOCIATES, LLP, DATED JUNE 12, 2003 REVISED TO MAY 18, 2004.

BEING ALSO KNOWN AS (REPORTED FOR INFORMATIONAL PURPOSES ONLY):

LOT 28, BLOCK 2057, ON THE OFFICIAL TAX MAP OF THE CITY OF JERSEY CITY, COUNTY OF HUDSON, STATE OF NEW JERSEY.

BK:00601 PG:00020

Page A2 - 4

HP0002 12/04

MAT

PKT 01/22/07 14:01:00

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: WHITLOCK MILLS-HUD/NEU #140700019

Commitment No: 2007-E0012

4. The land referred to in this Commitment is described as follows:

ALL THAT CERTAIN TRACT, PARCEL AND LOT OF LAND LYING AND BEING SITUATE IN THE CITY OF JERSEY CITY, COUNTY OF HUDSON, STATE OF NEW JERSEY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FORMED BY THE INTERSECTION OF FORMER CENTERLINE OF MANNING AVENUE, WITH THE NORTHEASTERLY OF LAFAYETTE STREET; THENCE;

1. SOUTH 31°09'00" EAST ALONG THE NORTHWESTERLY LINE OF LAFAYETTE STREET, A DISTANCE OF 30.04 FEET TO A POINT; THENCE;
2. SOUTH 61°51'00" WEST A DISTANCE OF 30.04 FEET, TO A POINT IN THE FORMER CENTERLINE OF LAFAYETTE STREET (VACATED); THENCE;
3. SOUTH 31°09'00" EAST, ALONG THE FORMER CENTERLINE OF LAFAYETTE STREET A DISTANCE OF 100.14 FEET, TO A POINT; THENCE;
4. SOUTH 61°51'00" WEST, A DISTANCE OF 30.04 FEET, TO A POINT IN THE FORMER SOUTHWESTERLY LINE OF LAFAYETTE STREET; THENCE;
5. NORTH 31°09'00" WEST, ALONG THE FORMER SOUTHWESTERLY LINE OF LAFAYETTE STREET A DISTANCE OF 120.16 FEET, TO A POINT; THENCE;
6. SOUTH 61°51'00" WEST, A DISTANCE OF 164.85 FEET, ALONG THE FORMER SOUTHEASTERLY LINE OF MANNING AVENUE; THENCE;
7. NORTH 30°53'45" WEST A DISTANCE OF 10.02 FEET, TO A POINT IN THE FORMER CENTERLINE OF MANNING AVENUE; THENCE;
8. NORTH 61°51'00" EAST ALONG THE FORMER CENTERLINE OF MANNING AVENUE, A DISTANCE OF 13.30 FEET, TO A POINT; THENCE;
9. NORTH 30°53'45" WEST A DISTANCE OF 196.84 FEET, TO A POINT OF CURVE; THENCE;
10. IN A GENERAL NORTHERLY DIRECTION, CURVING TO THE RIGHT ON A RADIUS OF 409.05 FEET, AN ARC DISTANCE OF 66.27 FEET TO A POINT OF COMPOUND CURVE; THENCE
11. IN A GENERAL NORTHERLY DIRECTION, CURVING TO THE RIGHT ON A RADIUS OF 168.42 FEET, AN ARC DISTANCE OF 109.80 FEET TO A POINT; THENCE
12. NORTH 62°57'40" WEST, 73.25 FEET TO A POINT; THENCE

(Continued on Next Page)

BK:00601 PG:00021

Page A2 - 1

HWG 12/04

MAT

MAT 01/22/07 14:48:00

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: WHITLOCK MILLS-HUD/NBU #140700019

Commitment No: 2007-80012

13. SOUTH 58°04'00" WEST, 32.05 FEET TO A POINT; THENCE
14. NORTH 31°09'00" WEST, 125.03 FEET TO A POINT IN THE SOUTHEASTERLY LINE OF M.S. CONRAIL C.R.R. CO. OF N.J., LAFAYETTE BRANCH MAIN STEM; THENCE
15. NORTH 59°02'00" EAST, ALONG SAME, 16.73 FEET TO A POINT; THENCE
16. NORTH 63°02'00" EAST, ALONG SAME, 83.20 FEET TO A POINT; THENCE
17. NORTH 67°17'16" EAST, ALONG SAME, 98.47 FEET TO A POINT; THENCE
18. NORTH 70°02'00" EAST, ALONG SAME, 56.31 FEET TO A POINT; THENCE
19. NORTH 75°02'00" EAST, ALONG SAME, 28.69 FEET TO A POINT; THENCE
20. NORTH 76°02'00" EAST, ALONG SAME, 48.85 FEET TO A POINT; THENCE
21. NORTH 80°17'00" EAST, ALONG SAME, 48.52 FEET TO A POINT; THENCE
22. NORTH 82°47'00" EAST, ALONG SAME, 37.15 FEET TO A POINT; THENCE
23. SOUTH 86°43'00" EAST, ALONG THE SOUTHWESTERLY LINE OF M.S. CONRAIL C.R.R. CO. OF N.J., LAFAYETTE BRANCH MAIN STEM, 86.44 FEET TO A POINT; THENCE
24. SOUTH 80°58'00" EAST, ALONG SAME, 67.59 FEET TO A POINT; THENCE
25. SOUTH 75°43'00" EAST, ALONG SAME, 57.63 FEET TO A POINT; THENCE
26. SOUTH 70°08'00" EAST, ALONG SAME, 249.80 FEET TO A POINT; THENCE
27. SOUTH 14°29'00" WEST, 75.67 FEET TO A POINT; THENCE
28. SOUTH 28°09'00" EAST, 111.46 FEET TO A POINT IN THE TERMINUS OF MAPLE STREET; THENCE
29. SOUTH 61°51'00" WEST, ALONG THE TERMINUS OF MAPLE STREET (60 FEET WIDE) AND ALONG THE FORMER CENTERLINE OF MANNING AVENUE, NOW BEING THE NORTHWESTERLY LINE OF THE (FORMERLY VACATED) SOUTHERLY HALF OF MANNING AVENUE (30 FEET WIDE) A DISTANCE OF 182.47 FEET TO A POINT; THENCE
30. NORTH 28°09'00" WEST, 65.88 FEET TO A POINT; THENCE
31. SOUTH 61°51'00" WEST, 45.75 FEET TO A POINT; THENCE
32. NORTH 30°22'20" WEST, 17.72 FEET TO A POINT; THENCE
33. SOUTH 59°37'40" WEST, 74.60 FEET TO A POINT; THENCE

BK:00601 PG:00022

Page A2 - 2

NRWG 12/04

MMI

MMI 01/22/07 14:48:00

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: WHITLOCK MILLS-HUD/NBU #140700019

Commitment No: 2007-80012

34. NORTH 30°22'20" WEST, 130.57 FEET TO A POINT; THENCE
35. NORTH 59°37'40" EAST, 46.00 FEET TO A POINT; THENCE
36. NORTH 30°22'20" WEST, 90.52 FEET TO A POINT; THENCE
37. NORTH 59°37'40" EAST, 74.32 FEET TO A POINT; THENCE

38. SOUTH 30°22'20" EAST, 240.58 FEET TO THE END OF THE ABOVE 30TH COURSE ABOVE GIVEN; THENCE

39. SOUTH 28°09'00" EAST, ALONG SAID 30TH COURSE 69.88 FEET TO A POINT IN THE FORMER CENTERLINE OF MANNING AVENUE, NOW BEING THE NORTHWESTERLY LINE OF THE (FORMERLY VACATED) SOUTHERLY HALF OF MANNING AVENUE; THENCE

40. SOUTH 61°51'00" WEST, ALONG SAME, 276.06 FEET TO THE PLACE OF BEGINNING.

THE PARCEL OF LAND AND PREMISES WITHIN THE ABOVE DESCRIBED COURSES 26 THROUGH 33 INCLUSIVE IS KNOWN AS LOT 17, BLOCK 2057 AND IS NOT INCLUDED IN THE ABOVE DESCRIBED LANDS.

BEING SUBJECT TO A NONEXCLUSIVE INGRESS AND EGRESS EASEMENT BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF LAFAYETTE STREET (60 FEET WIDE) WITH THE SOUTHEASTERLY LINE OF FORMER MANNING AVENUE (60 FEET WIDE) (VACATED 7/19/1955); THENCE

1. NORTH 31°09'00" WEST, ALONG THE CENTER LINE OF LAFAYETTE STREET, 74.08 FEET TO A POINT; THENCE
2. NORTH 61°51'00" EAST, 209.12 FEET; THENCE
3. NORTH 30°22'20" WEST, 41.50 FEET TO A POINT IN THE LINE OF TAX LOT 17, BLOCK 2057; THENCE
4. NORTH 59°37'40" EAST, ALONG SAME, 54.50 FEET TO A POINT; THENCE
5. SOUTH 30°22'20" EAST, 45.70 FEET TO A POINT; THENCE
6. NORTH 61°51'00" EAST, 40.00 FEET TO A POINT; THENCE
7. SOUTH 28°09'00" EAST, 41.92 FEET TO A POINT IN THE FORMER CENTER LINE OF MANNING AVENUE (VACATED 7/19/1955); THENCE
8. SOUTH 61°51'00" WEST, ALONG SAME, 95.00 FEET TO A POINT; THENCE
9. NORTH 28°09'00" WEST, 18.00 FEET TO A POINT; THENCE

Page A2 - 3

BK=00601

PG=00023

NRMC 12/04

NAT

NAT 01/22/07 14:48:00

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (part'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: WHITLOCK MILLS-HUD/NEU #140700019

Commitment No: 2007-80012

10. SOUTH 61°51'00" WEST, 158.37 FEET TO A POINT OF CURVE; THENCE

11. IN A GENERAL SOUTHEASTERLY DIRECTION, CURVING TO THE LEFT ON A RADIUS OF 18.00 FEET, AN ARC DISTANCE OF 29.22 FEET TO A POINT IN THE EXTENDED NORTHEASTERLY LINE OF LAFAYETTE STREET; THENCE

12. SOUTH 21°09'00"EAST, ALONG SAME, 30.04 FEET TO A POINT IN THE FORMER SOUTHEASTERLY LINE OF VACATED MANNING AVENUE; THENCE

13. SOUTH 61°51'00" WEST, ALONG SAME, 30.04 FEET TO THE PLACE OF BEGINNING.

THE FOREGOING DESCRIPTION BEING IN ACCORDANCE WITH A SURVEY PREPARED BY VOLLMER ASSOCIATES, LLP, DATED JUNE 12, 2003 REVISED TO MAY 18, 2004.

BEING ALSO KNOWN AS (REPORTED FOR INFORMATIONAL PURPOSES ONLY):

LOT 28, BLOCK 2057, ON THE OFFICIAL TAX MAP OF THE CITY OF JERSEY CITY, COUNTY OF HUDSON, STATE OF NEW JERSEY.

BK=00601 PG=00024

Page A2 - 4

NRMC 12/04

MAT

MAT 01/22/07 14:48:00

HUD Mortgage No.: 30186-0999-7

Project No.: 031-98015

Page 1

RECORD AND RETURN TO:
Beverly Harding, Paralegal
New Jersey Housing & Mortgage
Finance Agency
637 S. Clinton Avenue
PO Box 18550
Trenton, NJ 08650-2085

000048343
RECEIVED
AND
RECORDED
RTG

06/03/2004 07:16A
BARBARA A. DONNELLY
HUDSON COUNTY
REGISTER OF DEEDS
Receipt No. 184793

WHITLOCK MILLS, HMFA # 1388

ASSIGNMENT OF LEASES

Section 1. PARTIES

The parties to this Assignment of Leases (the "Assignment"), which is made this 26th day of May 2004, are **WHITLOCK MILLS, L.P.**, a limited partnership, (the "Assignor") organized and existing pursuant to the laws of the State of Maryland, duly authorized to transact business in the State of New Jersey and a qualified housing sponsor within the meaning of the New Jersey Housing and Mortgage Finance Agency Law of 1983, N.J.S.A. 55:14K-1 et seq., as amended (the "Act"), having its principal office at 6851 Oak Hall Lane, Suite 100, Columbia, MD 21045, and the **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**, (the "Assignee"), a body corporate and politic and an instrumentality exercising public and essential governmental functions of the State of New Jersey, created pursuant to the Act, having its principal office at 637 South Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085.

Section 2. DEFINITIONS

Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Financing, Deed Restriction and Regulatory Agreement executed between the Assignor and Assignee of even date herewith.

Section 3. ASSIGNMENT OF LEASES

Assignor, as further collateral for the payment of the First Mortgage Note in the principal amount of **Thirty Eight Million Three Hundred Sixty Five Thousand Five Hundred Sixty Eight Dollars (\$38,365,568)** as such amount may be adjusted pursuant to the First Mortgage Note and for the payment of any other amounts due to Assignee under the Second Mortgage Note or under the Loan Documents, as that term is defined in the Financing, Deed Restriction and Regulatory Agreement, hereby assigns, transfers and sets over unto the Assignee and unto the Assignee's successors and assigns, all of the Assignor's right, title and interest in, to and under all leases and any

and all other occupancy agreements and rents between the Assignor and any present or prospective tenant or sublessee, as well as all Federal and state subsidy payments to which the Assignee is or will be entitled with respect to the Project and/or the Land, as more particularly described in Schedule A hereto. As long as no Event of Default exists under the Loan Documents, the Assignor shall have a license to collect the rents under the leases or from the rental of the Project and/or Land. Upon the occurrence of an Event of Default under the Loan Documents said license shall terminate until such default shall have been fully cured.

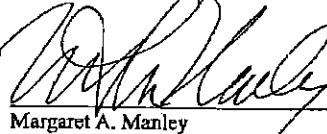
Upon the payment in full of all indebtedness of the Assignor to the Assignee, this Assignment shall become and be void and of no effect, but a notarized affidavit of any officer or attorney of the Assignee declaring that any part of said indebtedness remains unpaid shall be sufficient evidence of the validity, effectiveness and continuing force of this Assignment, as to any person liable under the aforesaid leases or rentals. A demand on the tenants or subleases by the Assignee for the payment of rent shall be sufficient warrant to said tenant to make future payments of rent to the Assignee without the necessity for further consent by the Assignor.

Neither this Assignment nor any act done or omitted by the Assignee pursuant to the powers and rights granted to it by this Assignment shall be deemed to be a waiver by the Assignee of its rights and remedies under the Loan Documents and this Assignment is made and accepted without prejudice to any of the rights and remedies possessed by the Assignee under the terms of the Loan Documents. The right of the Assignee to collect said indebtedness and/or to enforce any other rights and remedies of the Assignee under the Loan Documents may be exercised either simultaneously with, or subsequent to any action taken by the Assignee under this Assignment and notwithstanding whether or not any action is taken by the Assignee under this Assignment.

Notwithstanding any of the terms and conditions of this Assignment, the Assignee shall not have any obligation to any tenant or sublessee until the Assignee makes a demand on the tenant or sublessee and Assignor shall indemnify and hold Assignee harmless against any and all liability, loss or damage for claims that may be asserted against Assignee by reason of any alleged obligation to be performed by Assignee under the subject leases. Upon such demand, the Assignee shall have the rights of the Assignor under the subject lease.

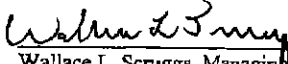
IN WITNESS WHEREOF, the Assignor has executed this instrument of Assignment as of the date first written above.

WITNESS/ATTEST


Margaret A. Manley

WHITLOCK MILLS, L.P.

By: HTA Whitlock, LLC, its General Partner

By: 
Wallace L. Scruggs, Managing Member

HUD Mortgage No.: 30186-0999-7

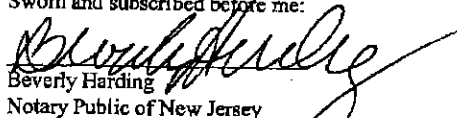
Project No.: 031-98015

Page 3

STATE OF NEW JERSEY COUNTY OF HUDSON

BE IT REMEMBERED, that on this 26th day of May, 2004 before me, the Subscriber, an officer duly authorized pursuant to N.J.S.A. 46:14-6 to take acknowledgements for use in the State of New Jersey, personally appeared Wallace L. Scruggs, Limited Partner of Whitlock Mills, L.P., who I am satisfied is the person who executed the within Instrument, and I having first made known to him the contents thereof, he did thereupon acknowledge that the said Instrument signed, sealed and delivered by him as such President, is the voluntary act and deed of said corporation, made by virtue of a resolution of its Board, for the uses and purposes therein expressed.

Sworn and subscribed before me:


Beverly Harding
Notary Public of New Jersey
My Commission Expires March 27, 2009

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: PIMIENTA/WHITLOCK/NBU #140300551

Commitment No: 2403-80021

4. The land referred to in this Commitment is described as follows:

ALL THAT CERTAIN TRACT, PARCEL AND LOT OF LAND LYING AND BEING SITUATE IN THE CITY OF JERSEY CITY, COUNTY OF HUDSON, STATE OF NEW JERSEY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FORMED BY THE INTERSECTION OF FORMER CENTERLINE OF MANNING AVENUE, WITH THE NORTHEASTERLY OF LAFAYETTE STREET; THENCE;

1. SOUTH 31°09'00" EAST ALONG THE NORTHEASTERLY LINE OF LAFAYETTE STREET, A DISTANCE OF 30.04 FEET TO A POINT; THENCE;
2. SOUTH 61°51'00" WEST A DISTANCE OF 30.04 FEET, TO A POINT IN THE FORMER CENTERLINE OF LAFAYETTE STREET (VACATED); THENCE;
3. SOUTH 31°09'00" EAST, ALONG THE FORMER CENTERLINE OF LAFAYETTE STREET A DISTANCE OF 160.14 FEET, TO A POINT; THENCE;
4. SOUTH 61°51'00" WEST, A DISTANCE OF 30.04 FEET, TO A POINT IN THE FORMER SOUTHWESTERLY LINE OF LAFAYETTE STREET; THENCE;
5. NORTH 31°09'00" WEST, ALONG THE FORMER SOUTHWESTERLY LINE OF LAFAYETTE STREET A DISTANCE OF 120.16 FEET, TO A POINT; THENCE;
6. SOUTH 61°51'00" WEST, A DISTANCE OF 164.85 FEET, ALONG THE FORMER SOUTHEASTERLY LINE OF MANNING AVENUE; THENCE;
7. NORTH 30°53'45" WEST A DISTANCE OF 10.02 FEET, TO A POINT IN THE FORMER CENTERLINE OF MANNING AVENUE; THENCE;
8. NORTH 61°51'00" EAST ALONG THE FORMER CENTERLINE OF MANNING AVENUE, A DISTANCE OF 13.30 FEET, TO A POINT; THENCE;
9. NORTH 30°53'45" WEST A DISTANCE OF 196.84 FEET, TO A POINT OF CURVE; THENCE;
10. IN A GENERAL NORTHERLY DIRECTION, CURVING TO THE RIGHT ON A RADIUS OF 409.05 FEET, AN ARC DISTANCE OF 66.27 FEET TO A POINT OF COMPOUND CURVE; THENCE
11. IN A GENERAL NORTHERLY DIRECTION, CURVING TO THE RIGHT ON A RADIUS OF 168.42 FEET, AN ARC DISTANCE OF 109.80 FEET TO A POINT; THENCE
12. NORTH 62°57'40" WEST, 73.25 FEET TO A POINT; THENCE

(Continued on Next Page)

HPAT 12/84

MAT

Page A2 - 1

JRA 05/24/06 11:43:49

BK:11555 PG:00328

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: FIMIENTA/WHITLOCK/NEU #140300551

Commitment No: 2403-80021

13. SOUTH 58°04'00" WEST, 32.05 FEET TO A POINT; THENCE
14. NORTH 31°09'00" WEST, 125.03 FEET TO A POINT IN THE SOUTHEASTERLY LINE OF M.B. CORRAIL C.R.R. CO. OF N.J., LAFAYETTE BRANCH MAIN STEM; THENCE
15. NORTH 59°02'00" EAST, ALONG SAME, 16.73 FEET TO A POINT; THENCE
16. NORTH 63°02'00" EAST, ALONG SAME, 63.20 FEET TO A POINT; THENCE
17. NORTH 67°17'16" EAST, ALONG SAME, 98.47 FEET TO A POINT; THENCE
18. NORTH 70°02'00" EAST, ALONG SAME, 58.31 FEET TO A POINT; THENCE
19. NORTH 75°02'00" EAST, ALONG SAME, 28.69 FEET TO A POINT; THENCE
20. NORTH 76°02'00" EAST, ALONG SAME, 48.85 FEET TO A POINT; THENCE
21. NORTH 80°17'00" EAST, ALONG SAME, 48.52 FEET TO A POINT; THENCE
22. NORTH 82°47'00" EAST, ALONG SAME, 37.15 FEET TO A POINT; THENCE
23. SOUTH 86°43'00" EAST, ALONG THE SOUTHWESTERLY LINE OF M.B. CORRAIL C.R.R. CO. OF N.J., LAFAYETTE BRANCH MAIN STEM, 86.44 FEET TO A POINT; THENCE
24. SOUTH 80°58'00" EAST, ALONG SAME, 67.59 FEET TO A POINT; THENCE
25. SOUTH 75°43'00" EAST, ALONG SAME, 57.63 FEET TO A POINT; THENCE
26. SOUTH 70°08'00" EAST, ALONG SAME, 249.80 FEET TO A POINT; THENCE
27. SOUTH 14°29'00" WEST, 75.67 FEET TO A POINT; THENCE
28. SOUTH 28°09'00" EAST, 111.44 FEET TO A POINT IN THE TERMINUS OF MAPLE STREET; THENCE
29. SOUTH 61°51'00" WEST, ALONG THE TERMINUS OF MAPLE STREET (60 FEET WIDE) AND ALONG THE FORMER CENTERLINE OF MANNING AVENUE, NOW BEING THE NORTHWESTERLY LINE OF THE (FORMERLY VACATED) SOUTHERLY HALF OF MANNING AVENUE (30 FEET WIDE) A DISTANCE OF 182.47 FEET TO A POINT; THENCE
30. NORTH 28°09'00" WEST, 69.88 FEET TO A POINT; THENCE
31. SOUTH 61°51'00" WEST, 45.75 FEET TO A POINT; THENCE
32. NORTH 30°22'20" WEST, 17.72 FEET TO A POINT; THENCE
33. SOUTH 59°37'40" WEST, 74.60 FEET TO A POINT; THENCE

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: PIMIENTA/WHITLOCK/NBC #140300551

Commitment No: 2403-80021

34. NORTH 30°22'20" WEST, 130.57 FEET TO A POINT; THENCE

35. NORTH 59°37'40" EAST, 46.00 FEET TO A POINT; THENCE

36. NORTH 30°22'20" WEST, 90.52 FEET TO A POINT; THENCE

37. NORTH 59°37'40" EAST, 74.32 FEET TO A POINT; THENCE

38. SOUTH 30°22'20" EAST, 240.58 FEET TO THE END OF THE ABOVE 30TH COURSE ABOVE GIVEN; THENCE

39. SOUTH 28°09'00" EAST, ALONG SAID 30TH COURSE 69.88 FEET TO A POINT IN THE FORMER CENTERLINE OF MANNING AVENUE, NOW BEING THE NORTHWESTERLY LINE OF THE (FORMERLY VACATED) SOUTHERLY HALF OF MANNING AVENUE; THENCE

40. SOUTH 61°51'00" WEST, ALONG SAME, 276.06 FEET TO THE PLACE OF BEGINNING.

THE PARCEL OF LAND AND PREMISES WITHIN THE ABOVE DESCRIBED COURSES 26 THROUGH 33 INCLUSIVE IS KNOWN AS LOT 17, BLOCK 2057 AND IS NOT INCLUDED IN THE ABOVE DESCRIBED LANDS.

BEING SUBJECT TO A NONEXCLUSIVE INGRESS AND EGRESS EASEMENT BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF LAFAYETTE STREET (60 FEET WIDE) WITH THE SOUTHEASTERLY LINE OF FORMER MANNING AVENUE (60 FEET WIDE) (VACATED 7/19/1955); THENCE

1. NORTH 31°09'00" WEST, ALONG THE CENTER LINE OF LAFAYETTE STREET, 74.08 FEET TO A POINT; THENCE

2. NORTH 61°51'00" EAST, 209.12 FEET; THENCE

3. NORTH 30°22'20" WEST, 41.50 FEET TO A POINT IN THE LINE OF TAX LOT 17, BLOCK 2057; THENCE

4. NORTH 59°37'40" EAST, ALONG SAME, 54.50 FEET TO A POINT; THENCE

5. SOUTH 30°22'20" EAST, 45.70 FEET TO A POINT; THENCE

6. NORTH 61°51'00" EAST, 40.00 FEET TO A POINT; THENCE

7. SOUTH 28°09'00" EAST, 41.92 FEET TO A POINT IN THE FORMER CENTER LINE OF MANNING AVENUE (VACATED 7/19/1955); THENCE

8. SOUTH 61°51'00" WEST, ALONG SAME, 95.00 FEET TO A POINT; THENCE

9. NORTH 28°09'00" WEST, 18.00 FEET TO A POINT; THENCE

Page A2 - 3

NRAC 12/94

NAT

JR 05/21/04 11:43:49

BK:11555 PG:00330

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: PINIENTA/WHITLOCK/NEU #140300551

Commitment No: 2403-80021

10. SOUTH 61°51'00" WEST, 158.37 FEET TO A POINT OF CURVE; THENCE

11. IN A GENERAL SOUTHEASTERLY DIRECTION, CURVING TO THE LEFT ON A RADIUS OF 18.00 FEET, AN ARC DISTANCE OF 29.22 FEET TO A POINT IN THE EXTENDED NORTHEASTERLY LINE OF LAFAYETTE STREET; THENCE

12. SOUTH 31°09'00"EAST, ALONG SAME, 10.04 FEET TO A POINT IN THE FORMER SOUTHEASTERLY LINE OF VACATED MANNING AVENUE; THENCE

13. SOUTH 61°51'00" WEST, ALONG SAME, 30.04 FEET TO THE PLACE OF BEGINNING.

THE FOREGOING DESCRIPTION BEING IN ACCORDANCE WITH A SURVEY PREPARED BY VOLLMER ASSOCIATES, LLP, DATED JUNE 12, 2003 REVISED TO MAY 18, 2004.

BEING ALSO KNOWN AS (REPORTED FOR INFORMATIONAL PURPOSES ONLY):

LOT 18, BLOCK 2057, ON THE OFFICIAL TAX MAP OF THE CITY OF JERSEY CITY.

HUD Mortgage No.: 30186-0999-7

Project No.: 031-98015

Page 1

RECORD AND RETURN TO:

Beverly Harding, Paralegal
New Jersey Housing & Mortgage
Finance Agency
637 S. Clinton Avenue
PO Box 18550
Trenton, NJ 08650-2085

001018341
RECEIVED
AND
RECORDED
REL

06/29/2007 08:52A
WILLIE L. FLOOD
HUDSON COUNTY
REGISTER OF DEEDS
Receipt No. 395971

WHITLOCK MILLS, HMFA #1388

AMENDED ASSIGNMENT OF LEASES

This Amended Assignment of Leases is necessary because the Lender is increasing the First Mortgage Loan amount, the Borrower is giving the Lender a First Mortgage Note II to evidence the additional debt and to incorporate certain other related revisions to the original Assignment of Leases. Except as specifically amended herein all of the terms of the original Assignment of Leases dated May 26, 2004 shall remain in full force and effect.

Section 1. PARTIES

The parties to this **AMENDED ASSIGNMENT OF LEASES** (this "Amended Assignment"), that is entered into on this 12 day of June 2007, amending that certain Assignment of Leases dated May 26, 2004, and recorded with the Hudson County Mortgage Book 11555, Page 325, are **WHITLOCK MILLS, L.P.**, a limited partnership, (the "Assignor") organized and existing pursuant to the laws of the State of Maryland, duly authorized to transact business in the State of New Jersey and a qualified housing sponsor within the meaning of the New Jersey Housing and Mortgage Finance Agency Law of 1983, N.J.S.A. 55:14K-1 et seq., as amended (the "Act"), having its principal office at 6851 Oak Hall Lane, Suite 100, Columbia, MD 21045, and the **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**, (the "Assignee"), a body corporate and politic and an instrumentality exercising public and essential governmental functions of the State of New Jersey, created pursuant to the Act, having its principal office at 637 South Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085.

Section 2. DEFINITIONS

This section shall remain unchanged.

Section 3. ASSIGNMENT OF LEASES

BK:00601 PG:00025

The first paragraph of this Section is amended as follows:

Assignor, as further collateral for the payment of the Amended First Mortgage Note I and the First Mortgage Note II in the combined principal amount of **Forty Million Four Hundred Fifteen Thousand Five Hundred Sixty Eight Dollars (\$40,415,568)** as such amount may be adjusted

1

CHICAGO TITLE INSURANCE COMPANY
TWO UNIVERSITY PLAZA
PLAZA 14
HACKENSACK, NEW JERSEY 07601

6/29/07

pursuant to the First Mortgage Notes I and/or II and for the payment of any other amounts due to Assignee under the Loan Documents, as that term is defined in the Amended Financing, Deed Restriction and Regulatory Agreement, hereby assigns, transfers and sets over unto the Assignee and unto the Assignee's successors and assigns, all of the Assignor's right, title and interest in, to and under all leases and any and all other occupancy agreements and rents between the Assignor and any present or prospective tenant or sublessee, as well as all Federal and state subsidy payments to which the Assignee is or will be entitled with respect to the Project and/or the Land, as more particularly described in Schedule A hereto. As long as no Event of Default exists under the Loan Documents, the Assignor shall have a license to collect the rents under the leases or from the rental of the Project and/or Land. Upon the occurrence of an Event of Default under the Loan Documents said license shall terminate until such default shall have been fully cured.

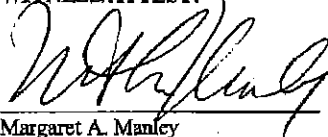
The second, third and fourth paragraphs of this Section shall remain unchanged.


IN WITNESS WHEREOF, the Assignor has executed this instrument of Assignment as of the date first written above.

WITNESS/ATTEST:

WHITLOCK MILLS, L.P.

By: HTA Whitlock, LLC, its General Partner


Margaret A. Manley

By: 
Wallace L. Scruggs, Managing Member

STATE OF MARYLAND, CITY/COUNTY OF Howard) ss:

On this 6th day of June, 2007, before me, a Notary Public in and for the jurisdiction aforesaid, personally appeared Wallace L. Scruggs, who acknowledged himself to be the Managing Member of HTA Whitlock, LLC, the General Partner of Whitlock Mills, L.P., a limited partnership, and that he, being authorized to do so, executed the foregoing and annexed instrument as the Managing Member of the General Partner and on behalf of Whitlock Mills, L.P., one of the parties to the foregoing and annexed instrument, as its free act and deed for the uses and purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Notary Public

My commission expires: Jan. 1, 2010

[Notarial Seal]

BK=00601 PG=00026

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: WHITLOCK MILLS-HUD/NEU #140700019

Commitment No: 2007-80012

4. The land referred to in this Commitment is described as follows:

ALL THAT CERTAIN TRACT, PARCEL AND LOT OF LAND LYING AND BEING SITUATE IN THE CITY OF JERSEY CITY, COUNTY OF HUDSON, STATE OF NEW JERSEY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FORMED BY THE INTERSECTION OF FORMER CENTERLINE OF MANNING AVENUE, WITH THE NORTHEASTERLY OF LAFAYETTE STREET; THENCE;

1. SOUTH 31°09'00" EAST ALONG THE NORTHWESTERLY LINE OF LAFAYETTE STREET, A DISTANCE OF 30.04 FEET TO A POINT; THENCE;
2. SOUTH 61°51'00" WEST A DISTANCE OF 30.04 FEET, TO A POINT IN THE FORMER CENTERLINE OF LAFAYETTE STREET (VACATED); THENCE;
3. SOUTH 31°09'00" EAST, ALONG THE FORMER CENTERLINE OF LAFAYETTE STREET A DISTANCE OF 160.14 FEET, TO A POINT; THENCE;
4. SOUTH 61°51'00" WEST, A DISTANCE OF 30.04 FEET, TO A POINT IN THE FORMER SOUTHWESTERLY LINE OF LAFAYETTE STREET; THENCE;
5. NORTH 31°09'00" WEST, ALONG THE FORMER SOUTHWESTERLY LINE OF LAFAYETTE STREET A DISTANCE OF 120.16 FEET, TO A POINT; THENCE;
6. SOUTH 61°51'00" WEST, A DISTANCE OF 164.85 FEET, ALONG THE FORMER SOUTHEASTERLY LINE OF MANNING AVENUE; THENCE;
7. NORTH 30°53'45" WEST A DISTANCE OF 10.02 FEET, TO A POINT IN THE FORMER CENTERLINE OF MANNING AVENUE; THENCE;
8. NORTH 61°51'00" EAST ALONG THE FORMER CENTERLINE OF MANNING AVENUE, A DISTANCE OF 13.30 FEET, TO A POINT; THENCE;
9. NORTH 30°53'45" WEST A DISTANCE OF 196.84 FEET, TO A POINT OF CURVE; THENCE;
10. IN A GENERAL NORTHERLY DIRECTION, CURVING TO THE RIGHT ON A RADIUS OF 409.05 FEET, AN ARC DISTANCE OF 66.27 FEET TO A POINT OF COMPOUND CURVE; THENCE
11. IN A GENERAL NORTHERLY DIRECTION, CURVING TO THE RIGHT ON A RADIUS OF 168.42 FEET, AN ARC DISTANCE OF 109.80 FEET TO A POINT; THENCE
12. NORTH 62°57'40" WEST, 73.25 FEET TO A POINT; THENCE

(Continued on Next Page)

PK#00601 PG#00027

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: WHITLOCK MILLS-HUD/NEU #140700019

Commitment No: 2007-80012

13. SOUTH 58°04'00" WEST, 32.05 FEET TO A POINT; THENCE
14. NORTH 31°09'00" WEST, 125.03 FEET TO A POINT IN THE SOUTHEASTERLY LINE OF M.S. CONRAIL C.R.R. CO. OF N.J., LAFAYETTE BRANCH MAIN STEM; THENCE
15. NORTH 59°02'00" EAST, ALONG SAME, 16.73 FEET TO A POINT; THENCE
16. NORTH 61°02'00" EAST, ALONG SAME, 83.20 FEET TO A POINT; THENCE
17. NORTH 67°17'16" EAST, ALONG SAME, 98.47 FEET TO A POINT; THENCE
18. NORTH 70°02'00" EAST, ALONG SAME, 58.31 FEET TO A POINT; THENCE
19. NORTH 75°02'00" EAST, ALONG SAME, 28.69 FEET TO A POINT; THENCE
20. NORTH 76°02'00" EAST, ALONG SAME, 48.85 FEET TO A POINT; THENCE
21. NORTH 80°17'00" EAST, ALONG SAME, 48.52 FEET TO A POINT; THENCE
22. NORTH 82°47'00" EAST, ALONG SAME, 37.15 FEET TO A POINT; THENCE
23. SOUTH 86°43'00" EAST, ALONG THE SOUTHWESTERLY LINE OF M.S. CONRAIL C.R.R. CO. OF N.J., LAFAYETTE BRANCH MAIN STEM, 86.44 FEET TO A POINT; THENCE
24. SOUTH 80°58'00" EAST, ALONG SAME, 67.59 FEET TO A POINT; THENCE
25. SOUTH 75°43'00" EAST, ALONG SAME, 57.63 FEET TO A POINT; THENCE
26. SOUTH 70°08'00" EAST, ALONG SAME, 249.80 FEET TO A POINT; THENCE
27. SOUTH 14°29'00" WEST, 75.67 FEET TO A POINT; THENCE
28. SOUTH 28°09'00" EAST, 111.44 FEET TO A POINT IN THE TERMINUS OF MAPLE STREET; THENCE
29. SOUTH 61°51'00" WEST, ALONG THE TERMINUS OF MAPLE STREET (60 FEET WIDE) AND ALONG THE FORMER CENTERLINE OF MANNING AVENUE, NOW BEING THE NORTHWESTERLY LINE OF THE (FORMERLY VACATED) SOUTHERLY HALF OF MANNING AVENUE (30 FEET WIDE) A DISTANCE OF 182.47 FEET TO A POINT; THENCE
30. NORTH 28°09'00" WEST, 69.88 FEET TO A POINT; THENCE
31. SOUTH 61°51'00" WEST, 45.75 FEET TO A POINT; THENCE
32. NORTH 30°22'20" WEST, 17.72 FEET TO A POINT; THENCE
33. SOUTH 59°17'40" WEST, 74.60 FEET TO A POINT; THENCE

Page A2 - 2 BK:00601 PG:00028

NRASO TEAM

MT

MT 01/22/07 14:48:00

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: WHITLOCK MILLS-HUD/NBU #140700019

Commitment No: 2007-80012

34. NORTH 30°22'20" WEST, 130.57 FEET TO A POINT; THENCE

35. NORTH 59°37'40" EAST, 46.00 FEET TO A POINT; THENCE

36. NORTH 30°22'20" WEST, 90.52 FEET TO A POINT; THENCE

37. NORTH 59°37'40" EAST, 74.32 FEET TO A POINT; THENCE

38. SOUTH 30°22'20" EAST, 240.58 FEET TO THE END OF THE ABOVE 30TH COURSE ABOVE GIVEN; THENCE

39. SOUTH 28°09'00" EAST, ALONG SAID 30TH COURSE 69.88 FEET TO A POINT IN THE FORMER CENTERLINE OF MANNING AVENUE, NOW BEING THE NORTHWESTERLY LINE OF THE (FORMERLY VACATED) SOUTHERLY HALF OF MANNING AVENUE; THENCE

40. SOUTH 61°51'00" WEST, ALONG SAME, 276.06 FEET TO THE PLACE OF BEGINNING.

THE PARCEL OF LAND AND PREMISES WITHIN THE ABOVE DESCRIBED COURSES 26 THROUGH 33 INCLUSIVE IS KNOWN AS LOT 17, BLOCK 2057 AND IS NOT INCLUDED IN THE ABOVE DESCRIBED LANDS.

BEING SUBJECT TO A NONEXCLUSIVE INGRESS AND EGRESS EASEMENT BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF LAFAYETTE STREET (60 FEET WIDE) WITH THE SOUTHEASTERLY LINE OF FORMER MANNING AVENUE (60 FEET WIDE) (VACATED 7/19/1955); THENCE

1. NORTH 31°09'00" WEST, ALONG THE CENTER LINE OF LAFAYETTE STREET, 74.08 FEET TO A POINT; THENCE

2. NORTH 61°51'00" EAST, 209.12 FEET; THENCE

3. NORTH 30°22'20" WEST, 41.50 FEET TO A POINT IN THE LINE OF TAX LOT 17, BLOCK 2057; THENCE

4. NORTH 59°37'40" EAST, ALONG SAME, 54.50 FEET TO A POINT; THENCE

5. SOUTH 30°22'20" EAST, 45.70 FEET TO A POINT; THENCE

6. NORTH 61°51'00" EAST, 40.00 FEET TO A POINT; THENCE

7. SOUTH 28°09'00" EAST, 41.92 FEET TO A POINT IN THE FORMER CENTER LINE OF MANNING AVENUE (VACATED 7/19/1955); THENCE

8. SOUTH 61°51'00" WEST, ALONG SAME, 95.00 FEET TO A POINT; THENCE

9. NORTH 28°09'00" WEST, 18.00 FEET TO A POINT; THENCE

PK:00601 PG:00029

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: WHITLOCK MILLS-HUD/NEO #140700019

Commitment No: 2007-80012

10. SOUTH 61°51'00" WEST, 158.37 FEET TO A POINT OF CURVE; THENCE

11. IN A GENERAL SOUTHEASTERLY DIRECTION, CURVING TO THE LEFT ON A RADIUS OF 18.00 FEET, AN ARC DISTANCE OF 29.22 FEET TO A POINT IN THE EXTENDED NORTHEASTERLY LINE OF LAFAYETTE STREET; THENCE

12. SOUTH 31°09'00"EAST, ALONG SAME, 30.04 FEET TO A POINT IN THE FORMER SOUTHEASTERLY LINE OF VACATED MANNING AVENUE; THENCE

13. SOUTH 61°51'00" WEST, ALONG SAME, 30.04 FEET TO THE PLACE OF BEGINNING.

THE FOREGOING DESCRIPTION BEING IN ACCORDANCE WITH A SURVEY PREPARED BY VOLLMER ASSOCIATES, LLP, DATED JUNE 12, 2003 REVISED TO MAY 18, 2004.

BEING ALSO KNOWN AS (REPORTED FOR INFORMATIONAL PURPOSES ONLY):

LOT 28, BLOCK 2057, ON THE OFFICIAL TAX MAP OF THE CITY OF JERSEY CITY, COUNTY OF HUDSON, STATE OF NEW JERSEY.

BK:00601 PG:00030

Page A2 - 4

NRAC 12/04

NAT

MT 01/22/07 14:48:00

NOTE

This Note made on June 21, 2001 between A & S Mills, Inc., Borrower and Lafayette Manning Inc., Lender.

In return for a loan received by the Borrower, pursuant to an Easement Agreement attached hereto, Borrower promises to pay Sixty Thousand (\$60,000.00) Dollars, representing the balance of the consideration paid for the Easement, no interest, to the order of the Lender.


Borrower shall pay all amounts owed under this Note on the earliest of the following:

- a) Enters into an agreement to transfer an ownership interest in whole or in part by A & S Mills of Block 2057 Lot 17 to any other party or to create a joint venture to develop Block 2057 Lot 17
- b) The first draw of any new financing to be placed on Block 2057 Lot 17 by A & S Mills Inc.;
- c) December 31, 2002.

In the event Borrower fails to make payment pursuant to the aforementioned terms, for which time is of the essence, the Lender shall be permitted to file an ex parte application to void the easement agreement and Lender shall further be authorized, by this agreement, to retain the \$30,000.00 (Thirty Thousand Dollars), already paid by Borrower to Lender, as liquidated damages and each party shall have no further claims against the other party. This Note can only be changed by an agreement in writing signed by both the Borrower and the Lender.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

Signed, Sealed and Delivered
in the presence of:


ANTHONY BENEVENTO
ATTORNEY AT LAW OF NEW JERSEY

A & S MILLS INC.

By: 
Juan Andrade, President

8K5848PG264

Jul-25-01 09:07A

P.02

STATE OF NEW JERSEY, COUNTY OF ~~Essex~~ ^{Essex} ss.:

I CERTIFY that on July 23, 2001, Juan Andrade personally came before me and this person acknowledged under oath, to my satisfaction, that:

(a) this person signed, sealed and delivered the attached document as President of A & S Mills, Inc. the corporation named in this document;

(b) the proper corporate seal was affixed; and

(c) this document was signed and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors.



Anthony Benevento
Attorney at Law
of New Jersey

BK5848P6265

AMC-01-2001 02:30PM FROM-VENTED TITLE

201-000-1000

T-000 P.000/000 F-270


STATE OF NEW YORK , COUNTY OF NEW YORK SS.1

I CERTIFY that on July 27, 2001, Harvey Shapiro personally came before me and this person acknowledged under oath, to my satisfaction, that:

(a) this person signed, sealed and delivered the attached document as President of Lafayette-Manning, Inc. the corporation named in this document;

(b) the proper corporate seal was affixed; and

(c) this document was signed and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors.


Mark H. Zafin, Esq.
Attorney at Law
of New Jersey

0K5848P6266

0000000000

Schedule A
Description

All that land located in the City of Jersey City, County of Hudson and State of New Jersey, described as follows:

BEGINNING at the corner formed by the intersection of the westerly line of Lafayette Street with the southerly line of former Manning Avenue; thence (1) along said westerly line of Lafayette Street south 31 degrees 9 minutes east 100.14 feet; thence (2) south 61 degrees 51 minutes west 187.93; thence (3) north 28 degrees 9 minutes west 100 feet to the southerly line of Manning Avenue; thence (4) along the same north 61 degrees 51 minutes east 15.95 feet; thence (5) north 30 degrees 53 minutes 45 seconds west 30.035 feet to the center line of Manning Avenue; thence (6) north 61 degrees 51 minutes east 15.02 feet; thence (7) north 30 degrees 53 minutes 45 seconds west 196.835 feet to a point of curve; thence (8) northerly on a curve to the right having a radius of 409.05 feet an arc distant of 66.77 feet; thence (9) northerly on a curve to the right having a radius of 168.42 feet an arc distance of 109.88 feet; thence (10) north 62 degrees 57 minutes 40 seconds west 68.59 feet; thence (11) south 58 degrees 4 minutes west 26.71 feet; thence (12) north 31 degrees 9 minutes west 125.03 feet; thence (13) north 59 degrees 2 minutes east 16.71 feet; thence (14) north 63 degrees 2 minutes east 83.20 feet; thence (15) north 67 degrees 17 minutes east 98.47 feet; thence (16) north 70 degrees 2 minutes east 58.31 feet; thence (17) north 75 degrees 2 minutes east 28.69 feet; thence (18) north 76 degrees 2 minutes east 48.81 feet; thence (19) north 80 degrees 17 minutes east 48.32 feet; thence (20) north 82 degrees 47 minutes east 37.15 feet; thence (21) south 86 degrees 43 minutes east 86.44 feet; thence (22) south 80 degrees 58 minutes east 67.59 feet; thence (23) south 75 degrees 43 minutes east 57.63 feet; thence (24) south 70 degrees 8 minutes east 249.80 feet; thence (25) south 14 degrees 29 minutes west 75.67 feet; thence (26) south 28 degrees 9 minutes east 11.39 feet; thence (27) south 61 degrees 51 minutes west 473.33 feet; thence (28) south 31 degrees 9 minutes east 30.04 feet; thence (29) south 61 degrees 51 minutes west 30.04 feet to the point and place of BEGINNING.

EXCEPTING THEREOUT AND THEREFROM all those certain premises described in a certain Deed dated December 16, 1999 made by Lafayette-Manning, Inc., as Grantor, and A & S Mills, Inc., as Grantee, recorded December 22, 1999 in Book 5546 of Deeds, page 310 in the Hudson County Register's Office.

Reference herein to Manning Avenue and Lafayette Street are for identification purposes only and shall not be considered a rededication of any portions of said streets which have previously been vacated.

Premises commonly known as 160 Lafayette Street, Jersey City, New Jersey.

BK5848PG267

Schedule B

CITY OF JERSEY CITY
COUNTY OF HUDSON
STATE OF NEW JERSEY

Being known and designated as part of Lot 15K in Block 2057 as shown on a certain map entitled "Minor Subdivision of Lots 15K, S1, S2 and S3, Block 2057 on the tax maps of the City of Jersey City, Hudson County, New Jersey", filed in the Office of the Hudson County Register on December 9, 1998 as filed map no. 3683.

Being more particularly described as follows :

Beginning at a point distant the following courses from the intersection of the northeasterly line of Lafayette Avenue and the former southeasterly line of Manning Avenue, now vacated, and running, thence

- A. along the former southeasterly line of Manning Avenue, North 61 degrees 57 minutes East 274.49 feet; thence
- B. North 28 degrees 09 minutes West 99.88 feet to the point or place of Beginning, and running; thence
- 1) South 61 degrees 51 minutes 00 seconds West 45.75 feet; thence
- 2) North 30 degrees 22 minutes 20 seconds West 17.72 feet; thence
- 3) South 59 degrees 37 minutes 40 seconds West 74.60 feet; thence
- 4) North 30 degrees 22 minutes 20 seconds West 130.57 feet; thence
- 5) North 59 degrees 37 minutes 40 seconds East 46.00 feet; thence
- 6) North 30 degrees 22 minutes 20 seconds West 90.52 feet; thence
- 7) North 59 degrees 37 minutes 40 seconds East 74.32 feet; thence
- 8) South 30 degrees 22 minutes 20 seconds East 240.58 feet to the point or place of Beginning.

The above description being drawn in accordance with a survey made by Statewide Surveying & Land Development Co. dated September 20, 1999.

Together with an easement for ingress and egress as shown on a certain map entitled "Minor Subdivision of Lots 15K, S1, S2 and S3, Block 2057 on the tax maps of the City of Jersey City, Hudson County, New Jersey", filed in the Office of the Hudson County Register on December 9, 1998 as filed map no. 3683, and more particularly described as follows:

BK5848P0268

Beginning at a point formed by the intersection of the easterly line of Lafayette Avenue with the former southeasterly right of way line of Manning Avenue, now vacated, and running thence

- 1) Along the said former southeasterly right of way line of Manning Avenue, now vacated, South $61^{\circ} 51' 00''$ West 30.04 feet, thence
- 2) North $31^{\circ} 09' 00''$ West 74.00 feet, thence
- 3) North $61^{\circ} 51' 00''$ East 215.00 feet, thence
- 4) North $30^{\circ} 22' 20''$ West 43.00 feet, thence
- 5) North $59^{\circ} 37' 40''$ East 54.5 feet, thence
- 6) South $30^{\circ} 22' 20''$ East 45.7 feet, thence
- 7) North $61^{\circ} 51' 00''$ East 40.00 feet, thence
- 8) South $28^{\circ} 09' 00''$ East 42.00 feet to a point in the former center line of Manning Avenue, now vacated, thence
- 9) South $61^{\circ} 51' 00''$ West 95.00 feet, thence
- 10) North $28^{\circ} 09' 00''$ West 18.00 feet, thence
- 11) South $61^{\circ} 51' 00''$ West 167.00 feet to a point of curve, thence
- 12) Along a curve to the left having a radius of 18.0 feet, an arc length of 28.27 feet to a point in the former center line of Manning Avenue, now vacated, thence
- 13) South $31^{\circ} 09' 00''$ East 30.04 feet to a point in the former southeasterly right of way line of Manning Avenue, now vacated, being the point or place of beginning.

NOTE: For information purposes only : Known and designated as Lot 17 in Block 2057 on the current tax map of the City of Jersey City, Hudson County, New Jersey.

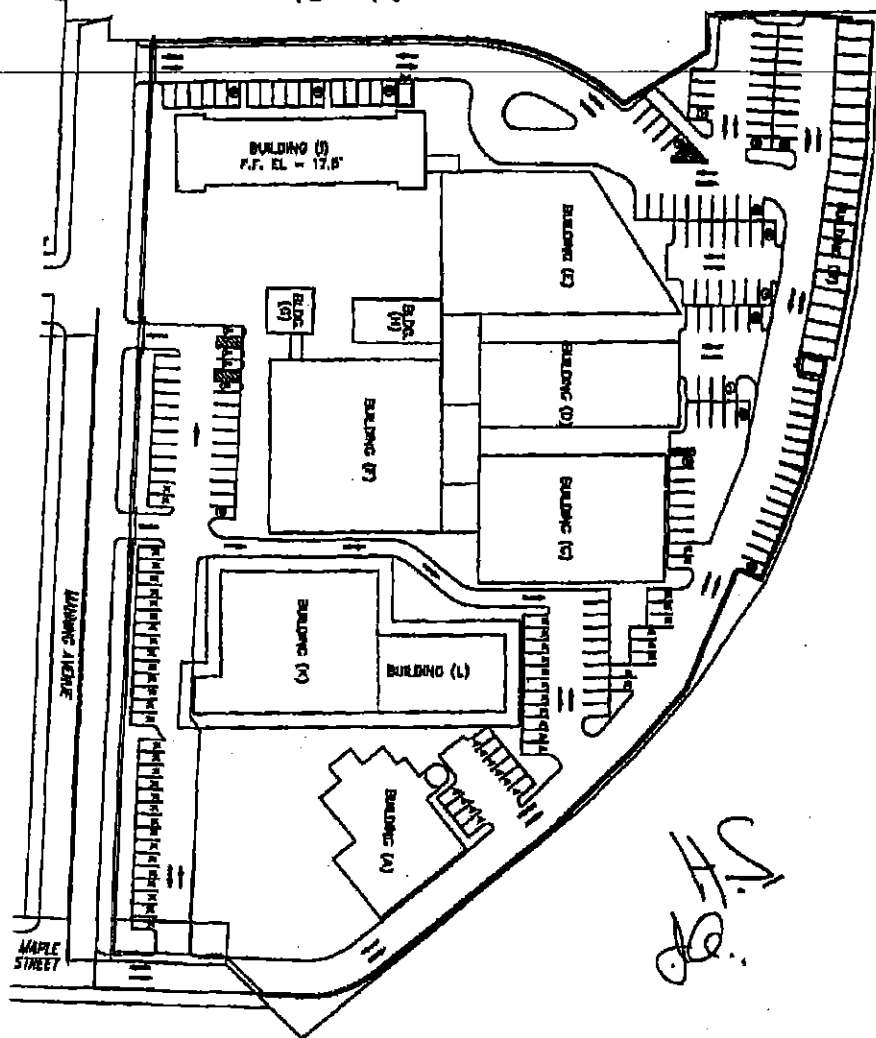
BK5848PG269

07/17/2001 11:30 FAX 0730288720

ARCHITECT

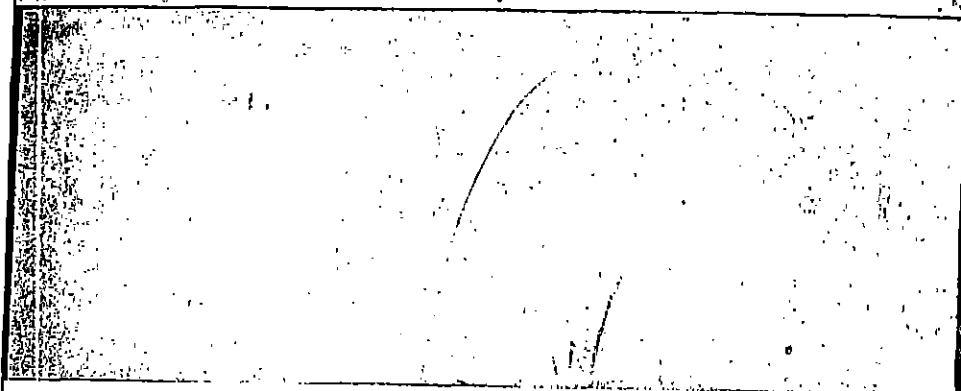
Schedule "C"

201



07204870220

07204870220



VESTED TITLE INC.
640 NEWARK AVENUE
JERSEY CITY, NJ 07306
(201) 666-8220
NJ (800) 537-0251

52074

07509840280

07509840280

**CITY OF JERSEY CITY
DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT**

DEVELOPMENT LOAN MORTGAGE

This Development Loan Mortgage (herein after referred to as Mortgage) is made on **May 26, 2004** between Whitlock Mills, L.P. (referred to as "Borrower") and the City of Jersey City (referred to as the "Municipality" or the "City")

WHEREAS, the Borrower and the Municipality have executed a Repayment Mortgage Note dated even date herewith (hereinafter referred to as Loan Agreement and the "Note") in the aggregate principal amount of **\$1,300,000.00** lawful money of the United States of America, in order for Borrower to pay costs or expenses utilized to construct new dwelling units in new buildings and new dwelling units in former industrial buildings at 160 Lafayette Street (Block 2057, Lot 28 (formerly Lot 18)), on land described on Schedule "A" attached hereto and made a part hereof.

WHEREAS, the execution and delivery of this Mortgage by Borrower is a condition to Municipality's obligation to make the Loan; and

WHEREAS, this Mortgage is given and made by Borrower to Municipality as security for: (i) the repayment of the indebtedness of Borrower to Municipality evidenced by the Note; (ii) the performance of the terms, conditions and covenants of Borrower set forth in the Mortgage, the Loan Agreement, the Note and the other Loan Documents; and (iii) payment of all other sums secured hereby, including, but not limited to, penalties, fees, interest or escrow payments.

NOW, THEREFORE, the Borrower, hereby mortgages, pledges, assigns and grants to the Municipality a security interest in the property listed in Schedule "A" including any buildings hereafter erected thereon and any improvements to such buildings.

ARTICLE I

REPAYMENT MORTGAGE NOTE

In consideration of value received by the Borrower in connection with the Property (described below) purchased by the Borrower, the Borrower has signed a note dated **May 26, 2004**. The Borrower promises to pay the amounts due under the Note and to abide by all Promises contained in the Note.

ARTICLE II

MORTGAGE AS SECURITY

This Mortgage is given to the Municipality as security for the payment due and the performance of all promises under the Note. The Borrower mortgages the real estate owned by the Borrower described as follows (referred to as the "Property"):

All of the land located in the City of Jersey, County of Hudson and State of New Jersey, specifically described as:

Lot No.: **28 (formerly Lot No. 18)**

Block No.: **2057**

BK:11556 PG:00038

On the official tax map of the City of Jersey City and by the metes and bounds description set forth in Schedule "A" attached hereto and more commonly known by the street address of 160 Lafayette Street.

Together with:

1. All buildings and other improvement that now are or will be located on the Property.
2. All fixtures, equipment and personal property that now are or will be attached to or used with the land, building and improvements of or on the Property.
3. All rights which the Borrower now has or will acquire with regard to the Property.

ARTICLE III

BORROWERS ACKNOWLEDGEMENTS

1. The Borrower acknowledges and understands that:

- a) The Property which is subject to this Mortgage has been designated as 330 units of housing, ten (10) of which must be designated as federal "HOME" program assisted units, and an additional 188 units must be designated as other affordable units, and all 198 "assisted" units must remain restricted to low and moderate income households for thirty years from the date of conversion to permanent financing or until the sum of all outstanding principal and interest are paid, whichever is later; and
- b) This Mortgage and Note are for construction and permanent financing, from the City to the Borrower. Draw down shall occur in accordance with letter (c) of this subpart.
- c) Borrower may draw down funds by submitting a "partial payment voucher" to the City of Jersey City, Division of Community Development, for payment of invoices for construction and development services rendered to the Borrower, up to in the aggregate but not exceeding the loan amount. All such rendered services shall be in compliance with all provisions of the HOME Sub-grantee Agreement between Borrower and Lender, including the development budget. All such rendered services shall also be in compliance with all applicable federal regulations governing the HOME investment partnership program. All such rendered services shall also be in accordance with a preliminary site plan as approved by the Jersey City Planning Board, and with the Memorandum of Agreement as executed in January, 2004 between the Borrower, the City of Jersey City, and the New Jersey State Historic Preservation Office, as amended. Draw downs shall be for reimbursement of expenses incurred, and shall be proportional to the amount of progress toward completion of the project. A ten percent (10%) retainage shall be withheld from all payments until such time as the general contractor and all subcontractors have provided a completed release of liens form to the City, and final Certificate of Occupancy has been issued for all phases of construction. (For example, a 25% draw down, less 10% retainage, may occur at 25% completion. An additional 25% draw down, less 10% retainage, may occur at 50% completion, etc.) The partial payment voucher shall be accompanied by supporting documentation as may be required by Lender, including but not limited to a certified AIA form, and certification of completion from a NJ Housing Mortgage Finance Agency (NJ HMFA) construction inspector. Payment of vouchers is subject to approval by resolution of the Municipal Council of the City of Jersey City.
- d) Upon request by the City but subject to the approval of the senior lender, The New Jersey Housing and Mortgage Finance Agency, and upon availability of access to Grand Street, an additional vehicular and pedestrian entrance to the property shall be constructed on the Grand Street side of the property. In addition, upon request by the City, an easement of at least 10 feet wide shall be provided along the northeast edge

of the property in order to accommodate a pedestrian walkway to connect Maple Street to a Morris Canal park, walkway or greenway.

- e) In the event of a sale of the property, or any portion thereof, the sum of all principal and interest due on either the development financing or the permanent financing shall be due and payable at the closing of title.

ARTICLE IV

BORROWER'S PROMISES

1. The Borrower warrants title to the premises (N.J.S.A. 46:9-2). This means the Borrower owns the Property and will defend its ownership against all claims.
2. ~~The Borrower shall pay all liens, taxes, assessments and other governmental charges made against the Property when due. The Borrower will not claim any credit against the principal and interest payable under the Note and this Mortgage for taxes, or payments in lieu of taxes, paid on the Property.~~
3. The Borrower shall keep the Property in good repair, neither damaging nor abandoning it. The Borrower will allow the Municipality to inspect the Property upon reasonable notice.
4. The Borrower shall use the Property in compliance with all laws, ordinances and other requirements of any governmental authority.

5. Insurance

- a) Borrower, at its sole cost and expense, shall obtain, or cause to be obtained, and shall maintain, or cause to be maintained, at all times throughout the term of this Mortgage, insurance on the Mortgaged Premises in such amounts as are set forth herein, or as Mortgagee hereafter from time to time shall reasonably determine and in such manner and against such loss, damage and liability, including liability to third parties, as is customary with persons in the same or similar business and located in the same or similar areas. Such insurance shall include, without limitation, the following:

(i) Comprehensive general public liability broad-form insurance, insuring against any and all liability of Borrower or claims of liability of Borrower arising out of, occasioned by or resulting from any accident or otherwise resulting in or about the Mortgaged Premises and the adjoining streets, sidewalks and passageways, in a minimum amount of \$1,000,000.00 for death or bodily injury to one or more persons in connection with any accident or occurrence in or about the Mortgaged Premises, and \$500,000.00 property damage in connection with any accident or occurrence in or about the Mortgaged Premises (including blanket contractual liability insurance, garage liability, innkeeper's liability, products liability and elevator liability, if applicable), all upon a per occurrence basis;

(ii) During any period of actual construction, a "Builders All-Risk" coverage policy of fire, extended coverage and hazard insurance (non-reporting form with respect to the Mortgaged Premises, including collapse, vandalism and malicious mischief insurance, which insurance policy shall contain an agreed amount endorsement and be in an aggregate amount not less than 100% of the full insurable replacement value of the Mortgaged Premises, without co-insurance, but in no event less than the face amount of this Mortgage; and upon completion of construction casualty insurance in an amount equal to the full replacement costs of the mortgaged premises;

(iii) If the Mortgaged Premises are required to be insured pursuant to the Flood Disaster Protection Act of 1973 or the National Flood Insurance Act of 1968, and the regulations promulgated thereunder, because it is located in an area which has been identified by the

Secretary of Housing and Urban Development as a Flood Hazard Area, then a flood insurance policy covering the Mortgaged Premises in an amount not less than the outstanding principal balance of the Note or the maximum limit of coverage available, whichever amount is less;

(iv) Boiler and machinery insurance covering pressure vessels, air tanks, boilers, machinery, pressure piping, heating, air conditioning and elevator equipment, provided that the Mortgaged Premises contains equipment of such nature and to the extent the policy described in subparagraph (b) hereinabove does not cover such.

b) Each insurance policy required under this Subpart 5, to the extent applicable, shall be written by insurance companies authorized or licensed to do business in the State of New Jersey having an Alfred M. Best Company, Inc., rating of A or higher and a financial size category of not less than VII, and shall be on such forms and written by such companies as shall be approved by Mortgagee which approval shall not be unreasonably withheld or delayed.

c) Each insurance policy required under this Subpart 5 providing insurance against loss or damage to property shall be written or endorsed so as to (a) contain a standard mortgagee or secured party endorsement, as the case may be, or its equivalent; and (b) provide for deductibles not to exceed Ten Thousand (\$10,000.00) Dollars per occurrence.

d) Each insurance policy required under this Subpart 5, to the extent applicable, shall be written and endorsed so as to name Mortgagee, its successors and assigns, as additional insureds, as their interests may appear.

e) Each insurance policy required under this Subpart 5 shall contain a provision to the effect that such policy shall not be canceled, altered or in any way limited in coverage or reduced in amount unless Mortgagee is notified in writing at least thirty (30) days prior to such cancellation, alteration, limitation or reduction. At least thirty (30) days prior to the expiration of any such policy, Borrower shall furnish evidence reasonably satisfactory to Mortgagee that such policy has been renewed or replaced or is no longer required by this Section 5. A certificate of insurance evidencing the required coverage shall be deemed evidence satisfactory to Mortgagee.

f) Each applicable insurance policy required under this Subpart 5 (except flood insurance written under the federal flood insurance program) shall contain an endorsement or agreement by the insurer that any loss shall be payable to Mortgagee, as its interest may appear, in accordance with the terms of such policy notwithstanding any act or negligence of Borrower or Mortgagee which otherwise might result in forfeiture of said insurance and the further agreement of the insurer waiving all rights of set-off, counterclaim, deduction or subrogation against Borrower (so as not to interfere with Mortgagee's right).

g) In the event of loss or damage to the Mortgaged Premises, the proceeds of any insurance provided hereunder shall be applied as set forth in Subpart 6 of this Article IV; in the event of a public liability claim, the proceeds of any insurance provided hereunder shall be applied toward extinguishing or satisfying the liability and expenses incurred in connection therewith.

h) Borrower shall not take out any separate or additional insurance with respect to the Mortgaged Premises which is contributing in the event of loss unless it is properly compatible with all of the requirements of this Subpart 5.

6) Damage, Destruction and Condemnation.

a) If all or any part of the Mortgaged Premises shall be damaged or destroyed, or if title to or the temporary use of the whole or any part of the Mortgaged Premises shall be taken or condemned by a competent authority for any public use or purpose, there shall be no abatement or reduction in the amounts payable by Mortgagor hereunder or under the Note, and Mortgagor shall continue to be obligated to make such payments.

b) If the Mortgaged Premises or any part thereof is partially or totally damaged or destroyed by fire or any other cause, Mortgagor shall give prompt written notice thereof to Mortgagee. Subject to the rights of Superior Lien Holders, Mortgagor hereby authorizes and directs any affected insurance company to make payment of any proceeds determined to remain payable after payment to Superior Lien Holder directly to

Mortgagee. Subject to the rights of Superior Lien Holders Mortgagee but only with Mortgagor's written consent, hereby is authorized and empowered by Mortgagor to settle, adjust or compromise, in consultation with Mortgagor, any claim for loss, damage or destruction to the Mortgaged Premises. Payment of all costs of collection of insurance proceeds payable on account of such damage or destruction shall be deducted from the proceeds recovered.

c) Immediately upon obtaining knowledge of the institution of any proceedings for the condemnation of the Mortgaged Premises, or any portion thereof, Mortgagor shall notify Mortgagee of the pendency of such proceedings. Mortgagee may participate in any such proceeding and Mortgagor, from time to time, shall deliver to Mortgagee all instruments reasonably requested by it to permit such participation. Mortgagor, at its sole cost and expense, shall diligently prosecute any such proceeding and shall consult with Mortgagee, its attorneys and experts and cooperate with it in any defense of any such proceedings. Mortgagor, without the Mortgagee's prior written consent, shall not enter into any agreement for the taking of any conveyance in lieu thereof of the Mortgaged Premises, or any part thereof, with anyone authorized to acquire the same by eminent domain, condemnation or like power or proceeding.

d) As to any awards and proceeds of insurance or condemnation relating to a portion of the Mortgaged Premises, provided: (a) there exists no Event of Default under this Mortgage; (b) the work of restoration can be completed prior to the maturity date of the Note; and (c) Mortgagor furnishes evidence reasonably satisfactory to Mortgagee of Mortgagor's ability to pay all amounts of principal and interest becoming due under the Note and to meet Mortgagor's other financing obligations during such period; then such proceeds shall be disbursed directly to Mortgagor to pay for restoration of the Mortgaged Premises. If Mortgagee shall determine that the sum of the proceeds or award is insufficient to complete such restoration, then no portion shall be disbursed until Mortgagor shall have demonstrated to the reasonable satisfaction of Mortgagee, that Mortgagor has sufficient additional funds to pay such deficit.

e) In the event any insurance proceeds or condemnation awards are not to be disbursed to Mortgagor in accordance with Article IV, said payments shall be applied against the outstanding principal balance, without penalty or premium and any excess balance shall be disbursed to Mortgagor.

f) Mortgagor shall have no duty to repair, restore, rebuild or replace the Mortgaged Premises following damage or destruction by fire or other casualty or partial condemnation in the event that no or inadequate proceeds of insurance or condemnation awards are available to defray the cost of such repairing, restoration, rebuilding or replacement.

ARTICLE V

RIGHTS GIVEN TO LENDER - Covenants running with Land

The Borrower, by mortgaging the Property to the Municipality gives the Municipality those rights stated in this Mortgage, all rights the law gives to lenders, who hold mortgages, and also all rights the law gives to the Municipality under the Affordability Controls. The rights given to the Municipality and the restriction upon the Property are covenants running with the land. The rights, terms and restrictions in this Mortgage shall bind the Borrower and all subsequent purchasers and owners of the Property, the Note and the Mortgage.

ARTICLE VI

PREPAYMENT

(i) Borrower shall have the right to prepay the Loan, in whole or in part, at any time, upon not less than thirty (30) days prior written notice to Lender. Any prepayment shall be credited firstly against interest, then against other monies due hereunder and/or pursuant to the Note, and thereafter against the outstanding principal balance.

(II) In the event Lender shall determine that the loan proceeds shall exceed the actual Project Costs as audited and determined by Lender, Borrower forthwith shall pay to Lender, as a prepayment, an amount equal to such excess, whereupon the monthly payments of interest, but not the Maturity Date, shall be adjusted accordingly.

Section 1. Financial Statements. Borrower, within ninety (90) days after the end of each calendar quarter during the term hereof, at its sole cost and expense, shall furnish to Lender annual current and complete financial statements, including income and expense statements, prepared by a certified public accountant, in form and content satisfactory to Lender and certified to be accurate by Borrower's chief financial officer. Lender and its representatives have the right to examine all financial books and records of Borrower, upon reasonable prior notice.

Section 2. Inspection. Lender and/or its representatives shall have the right to inspect the Mortgaged Premises at any time and from time to time during the term hereof, it being acknowledged, however, that Lender shall not have any obligation to make any inspections.

ARTICLE VII

DEFAULT *The following events, if uncured, shall be an Event of Default;*

Section 1. Event of Default Under the Loan Documents. The occurrence of any Event of Default under the Note, the Loan Agreement or any other Loan Documents.

Section 2. Representations and Warranties. In the event that any representation or warranty made by Borrower in this Mortgage, the Commitment, the Note, the Loan Agreement or in any other Loan Document shall prove to be false, incorrect or misleading in any adverse respect on the date as of which made.

Section 3. Failure to Pay. Borrower shall have failed to make any payment of any installment of principal and/or interest or any other monies on account of the Note, Mortgage, Loan Agreement and/or any other Loan Documents, within ten (10) days after the same is due.

Section 4. Breach of Covenants. Borrower shall have failed to duly observe or perform any covenant, condition, term, provision or agreement on the part of Borrower to be observed or performed pursuant to the terms of: this Mortgage; the Note, and/or any other Loan Documents, other than the payment of monies which shall be governed by Section 3 above; and such default shall have remained uncured for a period of thirty (30) days after written notice thereof to Borrower; provided, however, that if the default is of a type which cannot be cured within such thirty (30) days, it shall not be an Event of Default if Borrower shall have acted in good faith to commence to cure the default within said thirty (30) day period, and thereafter shall be proceeding diligently to complete the cure of such default.

Section 5. Breach of Other Agreements. Borrower shall have failed to duly observe or perform any covenant, condition or agreement with respect to any obligation to be observed or performed pursuant to the terms of any permitted financing or encumbrance, any lease, contract of sale and/or other agreement affecting the Mortgaged Premises and/or the Project, and which shall not have been cured within any applicable grace period there under.

Section 6. Additional Liens. Borrower shall have entered into any other financing or shall have consented to the placing of any lien on the Mortgaged Premises, without the prior written consent of Lender, except as otherwise specifically set forth herein and/or in the other Loan Documents.

Section 7. Bankruptcy. Borrower shall have applied for or consented to the appointment of a receiver, custodian, trustee or liquidator of all or a substantial part of its assets; or a custodian shall have been appointed for Borrower; or Borrower generally shall not be paying its debts as they become due; or Borrower shall have admitted in writing the inability to pay its debts as they mature; or Borrower shall have made a general assignment for the benefit of creditors, or shall have filed a petition or an answer seeking an arrangement with creditors; or Borrower shall have taken advantage of any insolvency

law; or Borrower shall have submitted an answer admitting the material allegations of a petition in any bankruptcy, reorganization or insolvency proceeding; or an order, judgment or decree shall have been entered, without the application, the approval or consent of Borrower by any Court of competent jurisdiction approving a petition seeking reorganization of Borrower, or appointing a receiver, custodian, trustee or liquidator of Borrower, or appointing a receiver, custodian, trustee or liquidator of all or a substantial part of Borrower's assets and shall not have been dismissed for a period of sixty (60) days; or a petition in bankruptcy shall have been filed against Borrower and shall not have been dismissed for a period of sixty (60) days; or if any Order for Relief shall have been entered under the Federal Bankruptcy Code.

Section 8. Closing. Any substantial change in the use, nature or character of the Mortgaged Premises or the closing of or ceasing of operations of the Mortgaged Premises.

Section 9. Refusal to Insure. In the event that no insurance company authorized to do business in the State of New Jersey shall insure said Mortgaged Premises in the form of insurance policy approved by Lender in accordance with the provisions of this Mortgage.

Section 10. Transfer of Mortgaged Premises. In the event that Borrower shall have transferred or caused to have been transferred, title to or possession of all or any portion of the Mortgaged Premises, any interest in the Mortgaged Premises, including the rents, income, issues and profits there from, or in the event of transfer of any ownership interest in the Borrower or in any partner or principal shareholder of Borrower.

ARTICLE VIII

IF ANY EVENT OF DEFAULT SHALL HAVE OCCURRED, LENDER MAY TAKE ANY OR ALL OF THE FOLLOWING ACTIONS, AT THE SAME OR AT DIFFERENT TIMES:

Section 1. Upon the occurrence of an Event of Default not cured within thirty (30) days following delivery of notice of such default to Borrower (or other applicable cure period as stated in this Mortgage and a notice), which notice shall include and shall not be in addition to, any other notice of default delivered to Borrower, Lender may take any or all of the following actions:

Section 2. Acceleration. Lender may declare the entire amount of unpaid principal, together with all accrued and unpaid interest and other monies due under this Mortgage and/or the Note, immediately due and payable, and, upon notice to Borrower, accordingly, accelerate payment thereof notwithstanding contrary terms of payment stated therein, without presentment, demand, or notice of any kind, all of which are expressly waived, notwithstanding anything to the contrary contained in the Mortgage, the Note or any other Loan Documents.

Section 3. Possession. Lender may enter upon and take possession of the Mortgaged Premises; construct, develop, lease and let the said Mortgaged Premises; receive all the rents, income, issues and profits thereof which are overdue, due or to become due; and apply the same, after payment of all necessary charges and expenses, on account of the amounts hereby secured. Lender is given and granted full power and authority to do any act or thing which Borrower or the successors or assigns of Borrower who may then own the Mortgaged Premises might or could do in connection with the management and operation of the Mortgaged Premises. This covenant becomes effective either with or without any action brought to foreclose this Mortgage and without applying at any time for a receiver of such rents.

Section 4. Foreclosure. Lender may institute an action of mortgage foreclosure, or take other action as the law may allow, at law or in equity, for the enforcement of this Mortgage, and proceed thereon to final judgment and execution of the entire unpaid balance of the Note, including costs of suit, interest and reasonable attorney's fees. In case of any sale of the Mortgaged Premises by virtue of judicial proceedings, the Mortgaged Premises may be sold in one parcel and as an entirety or in such parcels, manner or order as Lender, in its sole discretion, may elect. The failure to make any tenants parties defendant to a foreclosure proceeding and to foreclose their rights will not be asserted by Borrower as a defense in any proceeding instituted by Lender to collect the obligations secured hereby or any deficiency remaining unpaid after the foreclosure sale of the Mortgaged Premises.

Section 5. Appointment of Receiver. Lender may have a receiver of the rents, income, issues and profits of the Mortgaged premises appointed without the necessity of proving either the depreciation or the inadequacy of the value of the security or the insolvency of Borrower or any person who may be legally or equitably liable to pay monies secured hereby, and Borrower and each such person waive such proof and consent to the appointment of a receiver.

Section 6. Excess Monies. Lender may apply on account of the unpaid indebtedness evidenced by the Note (including any unpaid accrued interest) owed to Lender after a foreclosure sale of the Mortgaged Premises, whether or not a deficiency action shall have been instituted, any unexpended monies still retained by Lender for the payment of, or as security for the payment of taxes, assessments, municipal or governmental rates, charges impositions, liens, water or sewer rents, or insurance premiums, if any.

Section 7. Remedies at Law or Equity. Lender may take any of the remedies otherwise available to it as matter of law or equity or pursuant to any other Loan Documents the Sponsor/Developer Agreement or any Associated Contract.

Section 8. Jurisdiction. Borrower agrees to submit to the jurisdiction of the State of New Jersey and to the venue of the County of Hudson, and waives any right to trial by jury.

Section 9. Counsel Fees. If Lender becomes a party (by intervention or otherwise) to any action or proceeding affecting the Mortgaged Premises or the title thereto or Lender's interest pursuant to this Mortgage, or if Lender employs attorneys or incurs costs or expenses to collect any of the indebtedness and/or to enforce performance of any of the obligations, provisions, covenants and/or agreements secured hereby, then and in any of such events, Borrower shall reimburse Lender, forthwith upon written notice and without further demand, for all reasonable costs, charges and counsel fees incurred by Lender in any such case, whether or not suit shall have been commenced, and the same shall be added to the principal sum secured hereby as a further charge and lien upon the Mortgaged Premises and shall bear interest at the rate stated in the Note from the date said costs, charges or fees are incurred.

Section 10. Use of Property After Default. On and after any Event of Default, Borrower or anyone claiming by, through or under it, upon demand of Lender, shall become a month-to-month tenant of Lender and shall pay as monthly rental for all or any portion of the Mortgaged Premises occupied by Borrower, or such other person or entity, the greatest of: (i) the aggregate sums agreed to be paid as monthly payments pursuant to the lease and use and occupancy agreements then in effect; (ii) the monthly fair market value of the use and occupancy of the Mortgaged Premises; or (iii) the sums agreed to be paid as monthly payments pursuant to the Note and this Mortgage if any; in advance, on the dates and in the manner provided in said lease agreements or Note and this Mortgage, and in default of so doing, Borrower and anyone claiming by, through, or under it, may be dispossessed by proceeding under the Landlord and Tenant Act, any appropriate summary proceedings, or any other law or right and this covenant shall be effective either with or without any action being brought to foreclose this Mortgage and without applying for a receiver to collect rents.

Section 11. Additional Rights & Remedies. Lender shall have the right to exercise all rights provided for in the Sponsor/Developer Agreement, including, but not limited to: the liquidation of other security, if any; the rights, if any, set forth in any credit enhancement agreement; and the recovery of unspent proceeds, if any.

ARTICLE IX

PERMITTED ENCUMBRANCES AND SUBORDINATION:

Section 1. Except for the mortgages and security instruments in connection therewith referenced herein below, at no time throughout the term of this Mortgage shall Mortgagor create, incur, assume or suffer interest, encumbrance, attachment, levy, distraint or other judicial process and burden of any kind or nature on or with respect to any of the Mortgaged Premises without the prior written consent of Mortgagee.

Section 2. Anything in this Section 20 or elsewhere in this Mortgage or in the Note to the contrary notwithstanding, this Mortgage and the rights of the Mortgagee hereunder or under the Note are and shall at all times hereinafter be subject and subordinate to: (a) the rights and interests of the New Jersey Housing and Mortgage Finance Agency (the "Agency") its successors and assigns, and/or any other lender in conjunction with the Agency with respect to any and all mortgages which are mortgage liens on the Mortgaged Premises and specifically including the mortgages currently anticipated in the amounts of \$38,365,568 and \$4,000,000; (b) to the rights and interests of such party or parties and the mortgage liens and security interests thereof who provide construction, permanent or other funds (including refinances of existing financing) for the development of the Mortgaged Premises now or in the future; and (c) the provisions of any extended low-income housing covenant for low-income housing tax credits or similar agreement which may be required by the Agency (all such lien holders referred to as "Superior Lien Holders"). Mortgagee hereby consents to the lien or liens of the Superior Lien Holders without need or requirement of the execution by Mortgagee of further agreements, but upon request of any Superior Lien Holder, the Mortgagor, or any party who is to become a Superior Lien Holder, Mortgagee hereby agrees to and shall execute and deliver, in recordable form, duly authorized and executed instruments confirming Mortgagee's agreement to subordinate. Wherever in the Note or in this Mortgage the rights or interests of the Mortgagee shall conflict or coincide with the rights or interests of any Superior Lien Holders, the rights and interests of the Superior Lien Holder shall supersede and control. Mortgagee agrees to make such amendments in and to the terms of the Note and this Mortgage as may be reasonably requested by any Superior Lien Holder in furtherance of this Article IX, Section 2.

ARTICLE X

NOTICES

All notices must be in writing and personally delivered or sent by certified mail, return receipt requested, or by nationally recognized overnight courier, such as Federal Express, to the addresses given in this Mortgage. Address changes may be made upon notice to the other party.

If to Borrower:

Whitlock Mills, L.P.
6851 Oak Hall Lane, Suite 100,
Columbia, MD 21045
Attention: Wallace L. Scruggs

with a copy to:
Gallagher Evellus & Jones LLP
218 North Charles Street, 4th Floor
Baltimore, Maryland 21201
Attention: Andrew Skopp

with an additional copy to:
Boston Capital Corporate Tax Credit Fund XXI
c/o Boston Capital Partners, Inc.
One Boston Place, 21st Floor
Boston, MA 02108

If to lender:

Corporation Counsel
City of Jersey City
Law Department 3rd Floor
City Hall
280 Grove Street Jersey City, New Jersey
07302

With copy to:

Director, Division of Community Development
Department of Housing and Economic Development and Commerce
30 Montgomery Street, 4th Floor Jersey City, New Jersey 07302

ARTICLE XI

NO WAIVER BY MUNICIPALITY

The Municipality may exercise any right under this Mortgage or under any law, even if the Municipality has delayed in exercising that right. The Municipality may enforce any of the provisions of the Note and this Mortgage against any one or more of the Borrowers who sign this Mortgage. The Borrower hereby waives the right to assert any statute of limitations as a bar to the enforcement of the lien of this Mortgage or to any action brought to enforce the Note or any other obligation secured by this Mortgage, to the maximum extent permitted by law.

ARTICLE XII

EACH PERSON LIABLE

Subject to the non-recourse provisions set forth in the Note, this Mortgage is legally binding upon each Borrower and all who succeed to their responsibilities (such as heirs and executors). The Municipality may enforce any of the provisions of the Note and this Mortgage against any one or more of the Borrowers who sign this Mortgage.

ARTICLE XIII

NO ORAL CHANGES

This Mortgage can only be changed by an agreement in writing signed by both the Borrower and the Municipality.

ARTICLE XIV

SUCCESSORS AND ASSIGNS

All of the terms, covenants, provisions and conditions herein contained shall be for the benefit of, apply to, and bind the successors and assigns of Borrower and Lender, and are intended and shall be held to be real covenants running with the land, and the term "Borrower" shall also include any and all subsequent owners and successors in title of the Mortgaged Premises.

ARTICLE XV

SEVERABILITY

In the event that any provision of this Mortgage, the Note, the Loan Agreement and/or any other Loan Documents conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage, the Note, the Loan Agreement and/or the other Loan documents which can be given effect without the conflicting provisions, and to this end, the provisions of this Mortgage, the Note, the Loan Agreement and/or the other Loan Documents are declared to be severable. In the event that any

applicable law limiting the amount of interest or other charges permitted to be collected from Borrower is interpreted so that any charge provided for in this Mortgage or in the Note, whether considered separately or together with other charges levied in connection with this Mortgage and the Note, violates such law, and Borrower is entitled to the benefit of such law, such charge is hereby reduced to the extent necessary to eliminate such violation. The amounts, if any, previously paid to Lender in excess of the amounts payable to Lender pursuant to such charges as reduced shall be applied by Lender to reduce the principal of the indebtedness evidenced by the Note. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all indebtedness which is secured by this Mortgage or evidenced by the Note and which constitutes interest, as well as all other charges levied in connection with such indebtedness which constitute interest, shall be deemed to be allocated and spread over the stated term of the Note. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest computed thereby is uniform throughout the stated term of the Note.

ARTICLE XVI

LAW GOVERNING

All the terms, conditions, and covenants contained in this Mortgage shall be governed by and construed and interpreted in accordance with substantive laws of the State of New Jersey.

ARTICLE XVII

MODIFICATIONS IN WRITING

The terms of this Mortgage may not be changed orally but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

BORROWER HEREBY DECLARES THAT BORROWER HAS READ THIS MORTGAGE, HAS RECEIVED A COMPLETELY FILLED IN COPY OF IT WITHOUT CHARGE THEREFORE AND HAS SIGNED THIS MORTGAGE AS OF THE DATE AT THE TOP OF THE FIRST PAGE.

IN WITNESS WHEREOF, Borrower has caused this Mortgage to be executed and sealed by duly authorized persons as of the day and year first above written.

(seal)

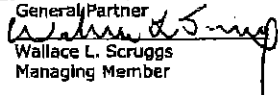
ATTEST:



Whitlock Mills, L.P.

By: HTA Whitlock, LLC

Its: General Partner

By:  Wallace L. Scruggs

Its: Managing Member

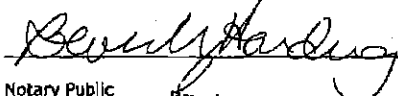
STATE OF NEW JERSEY)

) SS:

COUNTY OF HUDSON)

BE IT REMEMBERED, that on this 26th day of May, 2004 before me, the Subscriber, an officer duly authorized pursuant to N.J.S.A. 46:14-6 to take acknowledgements for use in the State of New Jersey, personally appeared Wallace L. Scruggs, Limited Partner of Whitlock Mills, L.P., who I am satisfied is the person who executed the within Instrument, and I having first made known to him the contents thereof, he did thereupon acknowledge that the said Instrument signed, sealed and delivered by him as such President, is the voluntary act and deed of said corporation, made by virtue of a resolution of its Board, for the uses and purposes therein expressed.

Sworn and subscribed before me:



Notary Public

Beverly Harding
A Notary Public of New Jersey
My Commission Expires 3/27/2009

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: PIMIENTA/WHITLOCK/NEU #140300551

Commitment No: 2403-80021

4. The land referred to in this Commitment is described as follows:

ALL THAT CERTAIN TRACT, PARCEL AND LOT OF LAND LYING AND BEING SITUATE IN THE CITY OF JERSEY CITY, COUNTY OF HUDSON, STATE OF NEW JERSEY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FORMED BY THE INTERSECTION OF FORMER CENTERLINE OF MANNING AVENUE, WITH THE NORTHEASTERLY OF LAFAYETTE STREET; THENCE;

1. SOUTH 31°09'00" EAST ALONG THE NORTHWESTERLY LINE OF LAFAYETTE STREET, A DISTANCE OF 30.04 FEET TO A POINT; THENCE;
2. SOUTH 61°51'00" WEST A DISTANCE OF 30.04 FEET, TO A POINT IN THE FORMER CENTERLINE OF LAFAYETTE STREET (VACATED); THENCE;
3. SOUTH 31°09'00" EAST, ALONG THE FORMER CENTERLINE OF LAFAYETTE STREET A DISTANCE OF 100.14 FEET, TO A POINT; THENCE;
4. SOUTH 61°51'00" WEST, A DISTANCE OF 30.04 FEET, TO A POINT IN THE FORMER SOUTHWESTERLY LINE OF LAFAYETTE STREET; THENCE;
5. NORTH 31°09'00" WEST, ALONG THE FORMER SOUTHWESTERLY LINE OF LAFAYETTE STREET A DISTANCE OF 120.16 FEET, TO A POINT; THENCE;
6. SOUTH 61°51'00" WEST, A DISTANCE OF 164.85 FEET, ALONG THE FORMER SOUTHEASTERLY LINE OF MANNING AVENUE; THENCE;
7. NORTH 30°53'45" WEST A DISTANCE OF 10.02 FEET, TO A POINT IN THE FORMER CENTERLINE OF MANNING AVENUE; THENCE;
8. NORTH 61°51'00" EAST ALONG THE FORMER CENTERLINE OF MANNING AVENUE, A DISTANCE OF 13.30 FEET, TO A POINT; THENCE;
9. NORTH 30°53'45" WEST A DISTANCE OF 196.84 FEET, TO A POINT OF CURVE; THENCE;
10. IN A GENERAL NORTHERLY DIRECTION, CURVING TO THE RIGHT ON A RADIUS OF 409.05 FEET, AN ARC DISTANCE OF 66.27 FEET TO A POINT OF COMPOUND CURVE; THENCE
11. IN A GENERAL NORTHERLY DIRECTION, CURVING TO THE RIGHT ON A RADIUS OF 168.42 FEET, AN ARC DISTANCE OF 109.86 FEET TO A POINT; THENCE
12. NORTH 62°57'40" WEST, 73.25 FEET TO A POINT; THENCE

(Continued on Next Page)

NPVZ 12/04

MAY

Page A2 - 1

JRA 05/24/04 11:43:48

BK:11556 PG:00050

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: FIMIENTA/WHITLOCK/NEU #140300551

Commitment No: 2403-80021

13. SOUTH 58°04'00" WEST, 32.05 FEET TO A POINT; THENCE
14. NORTH 31°09'00" WEST, 125.03 FEET TO A POINT IN THE SOUTHEASTERLY LINE OF M.E. CONRAIL C.R.R. CO. OF N.J., LAFAYETTE BRANCH MAIN STEM; THENCE
15. NORTH 59°02'00" EAST, ALONG SAME, 16.73 FEET TO A POINT; THENCE
16. NORTH 63°02'00" EAST, ALONG SAME, 83.20 FEET TO A POINT; THENCE
17. NORTH 67°17'15" EAST, ALONG SAME, 38.47 FEET TO A POINT; THENCE
18. NORTH 70°02'00" EAST, ALONG SAME, 58.31 FEET TO A POINT; THENCE
19. NORTH 75°02'00" EAST, ALONG SAME, 28.69 FEET TO A POINT; THENCE
20. NORTH 76°02'00" EAST, ALONG SAME, 48.85 FEET TO A POINT; THENCE
21. NORTH 80°17'00" EAST, ALONG SAME, 48.52 FEET TO A POINT; THENCE
22. NORTH 82°47'00" EAST, ALONG SAME, 37.15 FEET TO A POINT; THENCE
23. SOUTH 86°43'00" EAST, ALONG THE SOUTHWESTERLY LINE OF M.E. CONRAIL C.R.R. CO. OF N.J., LAFAYETTE BRANCH MAIN STEM, 86.44 FEET TO A POINT; THENCE
24. SOUTH 80°58'00" EAST, ALONG SAME, 67.59 FEET TO A POINT; THENCE
25. SOUTH 75°43'00" EAST, ALONG SAME, 57.63 FEET TO A POINT; THENCE
26. SOUTH 70°08'00" EAST, ALONG SAME, 249.80 FEET TO A POINT; THENCE
27. SOUTH 14°29'00" WEST, 75.67 FEET TO A POINT; THENCE
28. SOUTH 28°09'00" EAST, 111.44 FEET TO A POINT IN THE TERMINUS OF MAPLE STREET; THENCE
29. SOUTH 61°51'00" WEST, ALONG THE TERMINUS OF MAPLE STREET (60 FEET WIDE) AND ALONG THE FORMER CENTERLINE OF MANNING AVENUE, NOW BEING THE NORTHWESTERLY LINE OF THE (FORMERLY VACATED) SOUTHERLY HALF OF MANNING AVENUE (30 FEET WIDE) A DISTANCE OF 182.47 FEET TO A POINT; THENCE
30. NORTH 28°09'00" WEST, 69.88 FEET TO A POINT; THENCE
31. SOUTH 61°51'00" WEST, 45.75 FEET TO A POINT; THENCE
32. NORTH 30°22'20" WEST, 17.72 FEET TO A POINT; THENCE
33. SOUTH 55°37'40" WEST, 74.60 FEET TO A POINT; THENCE

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: PIMIENTA/WHITLOCK/NEU #140300551

Commitment No: 2403-80021

34. NORTH 30°22'20" WEST, 130.57 FEET TO A POINT; THENCE
35. NORTH 59°37'40" EAST, 46.00 FEET TO A POINT; THENCE
36. NORTH 30°22'20" WEST, 90.52 FEET TO A POINT; THENCE
37. NORTH 59°37'40" EAST, 74.32 FEET TO A POINT; THENCE
38. SOUTH 30°22'20" EAST, 240.58 FEET TO THE END OF THE ABOVE 30TH COURSE ABOVE GIVEN; THENCE

39. SOUTH 28°09'00" EAST, ALONG SAID 30TH COURSE 69.88 FEET TO A POINT IN THE FORMER CENTERLINE OF MANNING AVENUE, NOW BEING THE NORTHWESTERLY LINE OF THE (FORMERLY VACATED) SOUTHERLY HALF OF MANNING AVENUE; THENCE

40. SOUTH 61°51'00" WEST, ALONG SAME, 276.06 FEET TO THE PLACE OF BEGINNING.

THE PARCEL OF LAND AND PREMISES WITHIN THE ABOVE DESCRIBED COURSES 26 THROUGH 33 INCLUSIVE IS KNOWN AS LOT 17, BLOCK 2057 AND IS NOT INCLUDED IN THE ABOVE DESCRIBED LANDS.

BEING SUBJECT TO A NONEXCLUSIVE INGRESS AND EGRESS EASEMENT BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF LAFAYETTE STREET (60 FEET WIDE) WITH THE SOUTHEASTERLY LINE OF FORMER MANNING AVENUE (60 FEET WIDE) (VACATED 7/19/1955); THENCE

1. NORTH 31°09'00" WEST, ALONG THE CENTER LINE OF LAFAYETTE STREET, 74.08 FEET TO A POINT; THENCE
2. NORTH 61°31'00" EAST, 209.12 FEET; THENCE
3. NORTH 30°22'20" WEST, 41.50 FEET TO A POINT IN THE LINE OF TAX LOT 17, BLOCK 2057; THENCE
4. NORTH 59°37'40" EAST, ALONG SAME, 54.50 FEET TO A POINT; THENCE
5. SOUTH 30°22'20" EAST, 45.70 FEET TO A POINT; THENCE
6. NORTH 61°51'00" EAST, 40.00 FEET TO A POINT; THENCE
7. SOUTH 28°09'00" EAST, 41.92 FEET TO A POINT IN THE FORMER CENTER LINE OF MANNING AVENUE (VACATED 7/19/1955); THENCE
8. SOUTH 61°51'00" WEST, ALONG SAME, 95.00 FEET TO A POINT; THENCE
9. NORTH 28°09'00" WEST, 18.00 FEET TO A POINT; THENCE

Page A3 - 3

MPAGE 12/14

MAT

JR 05/24/04 11:43:45

BK=11556 PG:00052

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: PIMIENTA/WHITLOCK/NBO #140300551

Commitment No: 2403-80021

10. SOUTH 61°51'00" WEST, 158.37 FEET TO A POINT OF CURVE; THENCE
11. IN A GENERAL SOUTHEASTERLY DIRECTION, CURVING TO THE LEFT ON A RADIUS OF 18.00 FEET, AN ARC DISTANCE OF 29.22 FEET TO A POINT IN THE EXTENDED NORTHEASTERLY LINE OF LAFAYETTE STREET; THENCE
12. SOUTH 31°09'00"EAST, ALONG SAME, 30.04 FEET TO A POINT IN THE FORMER SOUTHEASTERLY LINE OF VACATED MANNING AVENUE; THENCE
13. SOUTH 61°51'00" WEST, ALONG SAME, 30.04 FEET TO THE PLACE OF BEGINNING.

THE FOREGOING DESCRIPTION BEING IN ACCORDANCE WITH A SURVEY PREPARED BY VOLLMER ASSOCIATES, LLP, DATED JUNE 12, 2003 REVISED TO MAY 18, 2004.

BEING ALSO KNOWN AS (REPORTED FOR INFORMATIONAL PURPOSES ONLY):

LOT 18, BLOCK 2057, ON THE OFFICIAL TAX MAP OF THE CITY OF JERSEY CITY.

INTENTIONALLY
LEFT BLANK

BOOK 11556
PAGE 52-02

JERSEY CITY SUBORDINATION & POSTPONEMENT OF MORTGAGE

THIS SUBORDINATION AND POSTPONEMENT is made on the 11th day of June 2007,

BETWEEN the Mortgage Holder, **CITY OF JERSEY CITY, NEW JERSEY** (hereinafter referred to as the "Lender"), having its principal office at 30 Montgomery Street, 4th Floor Jersey City, New Jersey 07302.

AND the **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**, a body politic and corporate and an instrumentality exercising public and essential governmental functions of the State of New Jersey, (the "Agency"), having its principal office located at 637 S. Clinton Avenue, PO Box 18550, Trenton, New Jersey 08650-2085.

Present Mortgage. Lender is the holder of a Mortgage referred to herein as the "Present Mortgage." The Present Mortgage is dated as of May 26, 2004 and was made by **WHITLOCK MILLS, L.P.**, a Maryland limited partnership to the Lender. The Present Mortgage was recorded by the Hudson County Register's Office in Mortgage Book 11556, Page 00037. The Lender also holds a Note that is secured by the Present Mortgage. The Present Mortgage covers property located on the premises described in Schedule "A" attached hereto (the "Project"). The original amount of the Mortgage Note which was secured by the Present Mortgage was \$1,300,000.

Amended First Mortgage. The Agency is about to amend an existing First Mortgage Loan by increasing the loan amount from \$38,365,568 to \$40,415,568. The existing First Mortgage is secured by the same collateral as the Present Mortgage, the Project. The aforesaid Agency mortgage is referred to herein as the "Amended Mortgage."

Postponement. The Lender hereby agrees that from and after the date hereof, the Present Mortgage and all amendments thereto, whenever made, will be subject, subordinate, and inferior in priority to the Amended Mortgage and all amendments thereto, whenever made. This includes all renewals and extensions of the Amended Mortgage. The Lender has received good and valuable consideration for making this Postponement, and the Lender desires to grant this Postponement to induce the Agency to make the loan secured by the Amended Mortgage.

Other Mortgages. This Postponement changes only the priority of the Present Mortgage with respect to the Amended Mortgage. It does not change the priority of the Present Mortgage in relation to any other mortgages that are recorded against and cover the Project property as of the date hereof ("Other Mortgages"). The priority of the Present Mortgage in relation to all Other Mortgages remains unchanged by this Postponement, and the Present Mortgage remains in effect in all other respects.

Who is Bound. This Postponement is binding upon the Lender and all who succeed to the Lender's rights as holder of the Present Mortgage.


for 80012
CHICAGO TITLE INSURANCE COMPANY
TWO UNIVERSITY PLAZA
PLAZA 14
HACKENSACK, NEW JERSEY 07601

06/27/2007 08:43A
WILLIE L. FLOOD
HUDSON COUNTY
REGISTER OF DEEDS
RECEIVED
REL
Rec'd No. 395971

9 pgs / 2005

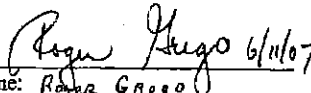
Signatures. This Postponement has been duly executed by the Lender on the date first above written.

ATTEST:


ROBERT BYRNE, CITY CLERK

PRINT OR TYPE NAMES AND TITLES

By:

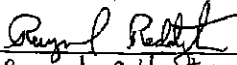
 6/11/07
Name: Roger Grego
Title: Acting Business Administration

STATE OF NEW JERSEY, COUNTY OF HUDSON: SS

BE IT REMEMBERED, that on this 11th day of June 2007, before me, Raymond Reddington, the subscriber, an attorney at law of the State of New Jersey, personally appeared Roger Grego, who, being duly sworn on his/her oath, acknowledges and makes proof to my satisfaction, that he/she is the Acting Business Administrator of the CITY OF JERSEY CITY, the Lender named in the within Instrument, that the execution as well as the making of this Instrument has been duly authorized by said Lender as and for the voluntary act and deed of said Lender, in the presence of deponent, who thereupon subscribed his name thereto as attesting witness.

SWORN TO AND SUBSCRIBED

before me, the date aforesaid.

 6-11-07
Raymond Reddington

an attorney at law of New Jersey

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: WHITLOCK MILLS-HUD/XBU #140700019

Commitment No: 2007-80012

4. The land referred to in this Commitment is described as follows:

ALL THAT CERTAIN TRACT, PARCEL AND LOT OF LAND LYING AND BEING SITUATE IN THE CITY OF JERSEY CITY, COUNTY OF HUDSON, STATE OF NEW JERSEY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FORMED BY THE INTERSECTION OF FORMER CENTERLINE OF MANNING AVENUE, WITH THE NORTHEASTERLY OF LAFAYETTE STREET; THENCE;

1. SOUTH 31°09'00" EAST ALONG THE NORTHWESTERLY LINE OF LAFAYETTE STREET, A DISTANCE OF 30.04 FEET TO A POINT; THENCE;
2. SOUTH 61°51'00" WEST A DISTANCE OF 30.04 FEET, TO A POINT IN THE FORMER CENTERLINE OF LAFAYETTE STREET (VACATED); THENCE;
3. SOUTH 31°09'00" EAST, ALONG THE FORMER CENTERLINE OF LAFAYETTE STREET A DISTANCE OF 100.14 FEET, TO A POINT; THENCE;
4. SOUTH 61°51'00" WEST, A DISTANCE OF 30.04 FEET, TO A POINT IN THE FORMER SOUTHWESTERLY LINE OF LAFAYETTE STREET; THENCE;
5. NORTH 31°09'00" WEST, ALONG THE FORMER SOUTHWESTERLY LINE OF LAFAYETTE STREET A DISTANCE OF 120.16 FEET, TO A POINT; THENCE;
6. SOUTH 61°51'00" WEST, A DISTANCE OF 164.85 FEET, ALONG THE FORMER SOUTHEASTERLY LINE OF MANNING AVENUE; THENCE;
7. NORTH 30°53'45" WEST A DISTANCE OF 10.02 FEET, TO A POINT IN THE FORMER CENTERLINE OF MANNING AVENUE; THENCE;
8. NORTH 61°51'00" EAST ALONG THE FORMER CENTERLINE OF MANNING AVENUE, A DISTANCE OF 13.30 FEET, TO A POINT; THENCE;
9. NORTH 30°53'45" WEST A DISTANCE OF 196.84 FEET, TO A POINT OF CURVE; THENCE;
10. IN A GENERAL NORTHERLY DIRECTION, CURVING TO THE RIGHT ON A RADIUS OF 409.05 FEET, AN ARC DISTANCE OF 66.27 FEET TO A POINT OF COMPOUND CURVE; THENCE
11. IN A GENERAL NORTHERLY DIRECTION, CURVING TO THE RIGHT ON A RADIUS OF 168.42 FEET, AN ARC DISTANCE OF 109.80 FEET TO A POINT; THENCE
12. NORTH 62°57'40" WEST, 73.25 FEET TO A POINT; THENCE

(Continued on Next Page)

BK:00600 PG:00336

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: WHITLOCK MILLS-HUD/NBU #140700019

Commitment No: 2007-80012

13. SOUTH 58°04'00" WEST, 32.05 FEET TO A POINT; THENCE
14. NORTH 31°09'00" WEST, 125.03 FEET TO A POINT IN THE SOUTHEASTERLY LINE OF M.S. CONRAIL C.R.R. CO. OF N.J., LAFAYETTE BRANCH MAIN STEM; THENCE
15. NORTH 59°02'00" EAST, ALONG SAME, 16.73 FEET TO A POINT; THENCE
16. NORTH 63°02'00" EAST, ALONG SAME, 83.20 FEET TO A POINT; THENCE
17. NORTH 67°17'16" EAST, ALONG SAME, 98.47 FEET TO A POINT; THENCE
18. NORTH 70°02'00" EAST, ALONG SAME, 50.31 FEET TO A POINT; THENCE
19. NORTH 75°02'00" EAST, ALONG SAME, 28.69 FEET TO A POINT; THENCE
20. NORTH 76°02'00" EAST, ALONG SAME, 48.65 FEET TO A POINT; THENCE
21. NORTH 80°17'00" EAST, ALONG SAME, 48.52 FEET TO A POINT; THENCE
22. NORTH 82°47'00" EAST, ALONG SAME, 37.15 FEET TO A POINT; THENCE
23. SOUTH 86°43'00" EAST, ALONG THE SOUTHWESTERLY LINE OF M.S. CONRAIL C.R.R. CO. OF N.J., LAFAYETTE BRANCH MAIN STEM, 86.44 FEET TO A POINT; THENCE
24. SOUTH 60°58'00" EAST, ALONG SAME, 67.59 FEET TO A POINT; THENCE
25. SOUTH 75°43'00" EAST, ALONG SAME, 57.63 FEET TO A POINT; THENCE
26. SOUTH 70°08'00" EAST, ALONG SAME, 249.80 FEET TO A POINT; THENCE
27. SOUTH 14°29'00" WEST, 75.67 FEET TO A POINT; THENCE
28. SOUTH 28°09'00" EAST, 111.44 FEET TO A POINT IN THE TERMINUS OF MAPLE STREET; THENCE
29. SOUTH 61°51'00" WEST, ALONG THE TERMINUS OF MAPLE STREET (60 FEET WIDE) AND ALONG THE FORMER CENTERLINE OF MANNING AVENUE, NOW BEING THE NORTHWESTERLY LINE OF THE (FORMERLY VACATED) SOUTHERLY HALF OF MANNING AVENUE (30 FEET WIDE) A DISTANCE OF 182.47 FEET TO A POINT; THENCE
30. NORTH 28°09'00" WEST, 69.88 FEET TO A POINT; THENCE
31. SOUTH 61°51'00" WEST, 45.75 FEET TO A POINT; THENCE
32. NORTH 30°22'20" WEST, 17.72 FEET TO A POINT; THENCE
33. SOUTH 59°37'40" WEST, 74.60 FEET TO A POINT; THENCE

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: WHITLOCK MILLS-HUD/NEU #140700019

Commitment No: 2007-80012

34. NORTH 30°22'20" WEST, 130.57 FEET TO A POINT; THENCE

35. NORTH 59°37'40" EAST, 46.00 FEET TO A POINT; THENCE

36. NORTH 30°22'20" WEST, 90.52 FEET TO A POINT; THENCE

37. NORTH 59°37'40" EAST, 74.32 FEET TO A POINT; THENCE

38. SOUTH 30°22'20" EAST, 240.58 FEET TO THE END OF THE ABOVE 30TH COURSE ABOVE GIVEN; THENCE

39. SOUTH 28°09'00" EAST, ALONG SAID 30TH COURSE 69.88 FEET TO A POINT IN THE FORMER CENTERLINE OF MANNING AVENUE, NOW BEING THE NORTHWESTERLY LINE OF THE (FORMERLY VACATED) SOUTHERLY HALF OF MANNING AVENUE; THENCE

40. SOUTH 61°51'00" WEST, ALONG SAME, 276.06 FEET TO THE PLACE OF BEGINNING.

THE PARCEL OF LAND AND PREMISES WITHIN THE ABOVE DESCRIBED COURSES 26 THROUGH 33 INCLUSIVE IS KNOWN AS LOT 17, BLOCK 2057 AND IS NOT INCLUDED IN THE ABOVE DESCRIBED LANDS.

BEING SUBJECT TO A NONEXCLUSIVE INGRESS AND EGRESS EASEMENT BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF LAFAYETTE STREET (60 FEET WIDE) WITH THE SOUTHEASTERLY LINE OF FORMER MANNING AVENUE (60 FEET WIDE) (VACATED 7/19/1955); THENCE

1. NORTH 31°09'00" WEST, ALONG THE CENTER LINE OF LAFAYETTE STREET, 74.08 FEET TO A POINT; THENCE

2. NORTH 61°51'00" EAST, 209.12 FEET; THENCE

3. NORTH 30°22'20" WEST, 41.50 FEET TO A POINT IN THE LINE OF TAX LOT 17, BLOCK 2057; THENCE

4. NORTH 59°37'40" EAST, ALONG SAME, 54.50 FEET TO A POINT; THENCE

5. SOUTH 30°22'20" EAST, 45.70 FEET TO A POINT; THENCE

6. NORTH 61°51'00" EAST, 40.00 FEET TO A POINT; THENCE

7. SOUTH 28°09'00" EAST, 41.92 FEET TO A POINT IN THE FORMER CENTER LINE OF MANNING AVENUE (VACATED 7/19/1955); THENCE

8. SOUTH 61°51'00" WEST, ALONG SAME, 95.00 FEET TO A POINT; THENCE

9. NORTH 28°09'00" WEST, 18.00 FEET TO A POINT; THENCE

Page A2 - 3

BK=00600 PG=00338

NRMC 12/04

MT

MT 01/22/07 14:40:00

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (continued)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: WHITLOCK MILLS-HUD/NEU #140700019

Commitment No:

2007-80012

10. SOUTH 61°51'00" WEST, 156.37 FEET TO A POINT OF CURVE; THENCE

11. IN A GENERAL SOUTHEASTERLY DIRECTION, CURVING TO THE LEFT ON A RADIUS OF 18.00 FEET, AN ARC DISTANCE OF 29.22 FEET TO A POINT IN THE EXTENDED NORTHEASTERLY LINE OF LAFAYETTE STREET; THENCE

12. SOUTH 31°09'00"EAST, ALONG SAME, 30.04 FEET TO A POINT IN THE FORMER SOUTHEASTERLY LINE OF VACATED MANNING AVENUE; THENCE

13. SOUTH 61°51'00" WEST, ALONG SAME, 30.04 FEET TO THE PLACE OF BEGINNING.

THE FOREGOING DESCRIPTION BEING IN ACCORDANCE WITH A SURVEY PREPARED BY VOLLMER ASSOCIATES, LLP, DATED JUNE 12, 2003 REVISED TO MAY 18, 2004.

BEING ALSO KNOWN AS (REPORTED FOR INFORMATIONAL PURPOSES ONLY):

LOT 28, BLOCK 2057, ON THE OFFICIAL TAX MAP OF THE CITY OF JERSEY CITY, COUNTY OF HUDSON, STATE OF NEW JERSEY.

BK=00600 PG=00339

Page A2 - 4

NRAC 12/04

MAT

MAT 01/22/07 14:48:00

Exhibit A

Legal Description of the Project Property

Block 2057, Lot 28 (formerly Lot 18) on the tax map of the
City of Jersey City also known as 160 Lafayette Street

Resolution of the City of Jersey City, N.J.

City Clerk File No. Res. 07-361

Agenda No. 10.2.15

Approved: MAY 09 2007

TITLE:



RESOLUTION AUTHORIZING THE EXECUTION OF A MORTGAGE SUBORDINATION AGREEMENT AFFECTING THE PROPERTY OWNED BY WHITLOCK MILLS, LP KNOWN AS BLOCK 2057, LOT 18

COUNCIL
the following resolution:

offered and moved adoption of

WHEREAS, the City of Jersey City (City), through the Division of Community Development (DCD), administers affordable housing programs for the State and Federal governments; and

WHEREAS, on May 28, 2004, the City entered into a Development Loan Mortgage with Whitlock Mills, LP (Developer), for the loan amount of \$1,300,000 to be used for the construction of 330 units of low to moderate income housing (Whitlock Mills Project); and

WHEREAS, the City's Mortgage was recorded on June 3, 2004 in Mortgage Book 11558 at page 37; and

WHEREAS, the City's mortgage is in third lien position behind two mortgages given by the New Jersey Housing and Mortgage Finance Agency (NJHMFA) in the amounts of \$38,365,598 and \$4,000,000; and

WHEREAS, the Developer applied to NJHMFA for a new loan in the amount of \$2,050,000 to be used for cost overruns, interest and carrying costs incurred due to delays in completing the project; and

WHEREAS, the Developer needs this loan to be able to complete the Whitlock Mills Project; and

WHEREAS, NJHMFA agrees to give this loan to the Developer provided the City agrees to subordinate its mortgage to this new mortgage; and

WHEREAS, the City's lien will be in fourth lien position behind three NJHMFA mortgages.

2007122

BK:00600 PG:00341

Continuation of Resolution 6
 City Clerk File No. Res. 07-263
 Agenda No. 15.15
 TITLE: MAY 08 2007

Page 2

NOW, THEREFORE, BE IT RESOLVED by the Municipal Council of the City of Jersey City that the Mayor or Business Administrator is authorized to execute a mortgage subordination agreement, in a form to be approved by Corporation Counsel, subordinating the City's lien to the interests of the new mortgage of NJHMFA in the amount of \$2,050,000.

BE, IT FURTHER RESOLVED that the City shall hold the Mortgage Subordination Agreement in escrow until the Developer provides the City with releases for all mechanics liens affecting the property.

APPROVED: [Signature] APPROVED AS TO LEGAL FORM: [Signature]
 City Administrator Corporation Counsel
 Certification Required ☐
 Not Required ☐

RECORD BY COUNCIL VOTE ON FINAL PASSAGE				APPROVED 8-0			
COUNCILPERSON	AYE	NOY	N.V.	COUNCILPERSON	AYE	NOY	N.V.
SCOTTELAND	/			GAUGHAN	/		
SPINELLO	/			PILOT	/		
LIPSON	/			RODRIGUEZ	/		
/ Indefinite Vote				N.V. Not Voting (Absent)			

Adopted at a meeting of the Municipal Council of the City of Jersey City N.J.
Walter Velazquez Mayor
Robert Spivey City Clerk



20100624060062730 1/12
06/24/2010 05:53:11 AM MORTGAGES
Bk: 17529 Pg: 711
Willie L. Flood
Hudson County, Register of Deeds
Receipt No. 348788

Record and Return to:

Suzanne M. Plesnarski, Sr. Paralegal
Division of Regulatory Affairs
NEW JERSEY HOUSING AND MORTGAGE
FINANCE AGENCY
637 South Clinton Avenue
P.O. Box 18550
Trenton, New Jersey 08650-2085

WHITLOCK MILLS
HMFA #1388

SUBORDINATE MORTGAGE AND SECURITY AGREEMENT

Section 1. PARTIES

This Subordinate Mortgage and Security Agreement (the "Subordinate Mortgage"), is made as of this 8th day of June, 2010 by **WHITLOCK MILLS, L.P.**, (the "Borrower"), a limited partnership, organized and existing under the laws of the State of Maryland, duly authorized to transact business in the State of New Jersey, and a qualified housing sponsor within the meaning of the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended N.J.S.A. 55:14K-1 et seq., (the "Act"), having its principal office at 6851 Oak Hall Lane, Suite 100, Columbia, MD 21045, and given to the **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**, (the "Lender"), a body corporate and politic and an instrumentality exercising public and essential governmental functions of the State of New Jersey, created pursuant to the Act, having its principal office at 637 South Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085.

Section 2. DEFINITIONS

Capitalized terms used but not defined herein shall have the meaning assigned to such terms in the Financing, Deed Restriction and Regulatory Agreement made between the Borrower and Lender dated as of May 26, 2004 and recorded in the Office of the Hudson County Register in Book 7293, at Page 297 (the "Deed Restriction"), as amended by the Amended Financing, Deed Restriction and Regulatory Agreement made between the Borrower and Lender dated as of June 12, 2007 and recorded on June 29, 2007 in the Office of the Hudson County Register in Book 8255, at Page 77 (the "Amended Deed Restriction") (the Deed Restriction and Amended Deed Restriction being collectively hereinafter referred to as the "Regulatory Agreement").

"Loan Documents" shall mean this Subordinate Mortgage, the Subordinate Mortgage Note, and the Mortgage Disbursement Agreement.

"Mortgage Disbursement Agreement" shall mean the agreement between the Borrower and the Lender of even date herewith regarding the disbursement of the Subordinate Mortgage Loan

proceeds.

"Subordinate Mortgage Loan" shall mean the subordinate mortgage loan made to the Borrower by the Lender to finance a portion of the cost of the development, construction, and/or rehabilitation of the Project, which is evidenced by the Subordinate Mortgage note and secured by this Subordinate Mortgage.

"Subordinate Mortgage Note" shall mean the interest-bearing, nonrecourse promissory note made by the Borrower to the Lender of even date herewith that contains the promise of the Borrower to pay the sum of Five Hundred Thousand and 00/100 Dollars (\$500,000.00) as stated therein at the times stated therein and that evidences the obligation of the Borrower to repay the amounts set forth therein.

Section 3. BACKGROUND AND PURPOSE

The Borrower will construct and/or rehabilitate and shall own, maintain, and operate the Project and the Land. The Project consists of 330 units of housing in the municipality of Jersey City, County of Hudson, and State of New Jersey. To obtain financing for the Project, the Borrower has applied to the Lender for a Subordinate Mortgage Loan pursuant to the provisions of the Act. The Project and the Land constitute a "housing project" as defined in the Act.

In connection with its application for the Subordinate Mortgage Loan, the Borrower has furnished to the Lender Project information, including the description of the Land on which the Project is to be situated, plans and specifications for the construction and/or rehabilitation of the Project, the tenant population which is to be housed in the Project, the number of units of each type to be included therein, the estimated cost of providing the Project, information as to the projected income and expenses of the Project once completed and placed in operation and arrangements for the payments in lieu of taxes with respect to the Project. In approving the application and as a basis for providing the Subordinate Mortgage Loan, the Lender has relied upon all of the foregoing Project information.

The Subordinate Mortgage Loan is evidenced by the Subordinate Mortgage Note and is secured by this Subordinate Mortgage, which constitutes a valid subordinate lien on the Project and Land. The Lender intends to make the Subordinate Mortgage Loan from administrative funds. As a condition of the Lender's approval of the Borrower's application for the Subordinate Mortgage Loan, the Borrower and the Lender have entered into the Loan Documents.

Section 4. SUBORDINATE LIEN

This Subordinate Mortgage shall be a valid subordinate mortgage lien on the Project and the Land subject only to the lien of the First Mortgage and to the liens of the Home Express Program Mortgage and the HOME Mortgage, as approved by the Agency and set forth in Section 2 of the Regulatory Agreement and subject to the Regulatory Agreement. The Borrower covenants and agrees to maintain its right, title and interest in the Project and the Land and all items enumerated in Section 7 herein free from all liens, security interests, and other encumbrances, except for those liens and encumbrances set forth in Section 13 of the Regulatory Agreement.

Section 5. COVENANT TO PAY SUBORDINATE MORTGAGE NOTE

The Borrower hereby promises to pay the Subordinate Mortgage Loan, in the principal amount of **\$500,000** as such amount may be adjusted pursuant to the Subordinate Mortgage Note (the "Principal Sum"), plus interest in accordance with the provisions of the Subordinate Mortgage Note.

Section 6. ADDITIONAL PAYMENTS BY BORROWER

The Borrower shall make all such additional payments as set forth and detailed in the Regulatory Agreement, including, but not limited to, insurance, taxes or payments in lieu of taxes, the Servicing Fee, escrows and reserves.

Section 7. SECURITY INTERESTS; GRANTING CLAUSES

In order to secure to the Lender, the punctual payment by the Borrower of the Principal Sum, plus interest and all sums due or to become due under the provisions of the Loan Documents and the payment and performance of all obligations of the Borrower under the Loan Documents, the Borrower hereby mortgages, pledges, assigns and grants to the Lender a security interest in the items listed below (the "Collateral").

The Borrower hereby agrees, represents, warrants and acknowledges that the Lender's security interest in the following items is perfected upon execution of this Subordinate Mortgage:

1. all of the Borrower's right, title and interest in the Project and in the Land, including, without limitation, all improvements existing or hereafter erected thereon, the legal description of the Land being set forth in the attached Schedule "A";
2. all the Borrower's right, title and interest in and to the beds of streets, roads and avenues open or proposed, adjacent or appurtenant to the Project and the Land and any easements, rights of way, licenses and other rights in favor of the Project and/or the Land over other premises;
3. any award made in the nature of compensation for condemnation or appropriation with respect to the Project and/or the Land by any governmental body, including awards or damages with respect or matters other than a direct taking which nonetheless affect the Project and/or the Land. The Borrower hereby assigns any such awards or damages to the Lender, and in addition, for itself and its successors and assigns, appoints the Lender and any subsequent holder of the Subordinate Mortgage Note and this Subordinate Mortgage its Attorney-in-Fact, and empowers such Attorney at its option, on behalf of the Borrower, to adjust or compromise any such claims, to collect any proceeds and to execute in the Borrower's name any documents necessary to affect such collection. The Lender is empowered to endorse any checks representing these proceeds, and after deducting any expenses incurred in the collection, to apply the net proceeds as a credit upon any portion of the Subordinate Mortgage Loan after payment of any interest due and payable as provided in the Subordinate Mortgage Note and Regulatory Agreement;

4. all personal property of the Borrower now or hereafter used in the operation of or for the benefit of, or located upon or attached to the real property described herein, including but not limited to all fixtures, equipment, machinery and elevators; all gas and electric appliances, engines, motors, all boilers, radiators, heaters, and furnaces; all electronic, electrical, lighting, heating, ventilating and air conditioning systems; all stoves, ranges and cooking equipment; all tubs, basins, sinks, pipes, water heaters, faucets and plumbing fixtures; all refrigerators, washing machines, laundry tubs and dryers; all awnings, screens, shades, venetian blinds, carpeting and office, common or lobby area furniture, furnishings, cabinets, fixtures, building materials and plantings; all project deposit accounts; all accounts, documents, commercial paper, chattels, negotiable instruments, general intangibles, rents, leases, goods, inventory and including any fittings, attachments, accessories, component parts, replacements or replacement parts, additions, accretions and/or substitutions of or to any of the above-listed types of items of collateral. The proceeds of the collateral are also covered;

5. all federal and State subsidy payments to which the Borrower is or will be entitled with respect to the Project and/or the Land;

6. all rent payable by tenants with respect to any part of the Project and/or the Land, such rents being assigned to the Lender as set forth in Section 8 below and in the Assignment of Leases to be executed simultaneously with but recorded separately from this Subordinate Mortgage, and any other revenues from the Project and/or the Land, including fees derived from laundry, parking, licenses and other facilities or interests;

7. all amounts payable to or recoverable by the Borrower under the terms of the contract for the construction and/or rehabilitation of the Project and any surety bond or other security issued in connection therewith;

8. all rights under and amounts recovered under warranties as to quality or performance of any material, part, sub-assembly, appliance or other component part of the Project;

9. all reserves and escrows created pursuant to the terms of the Loan Documents;

10. all proceeds of condemnation, casualty or other insurance on the Project or any part thereof;

11. any real estate tax or payment in lieu of tax rebates or refunds which the Borrower is entitled to receive;

12. any amounts in the Project accounts described in the Regulatory Agreement and any other Project funds; and

13. all syndication proceeds paid or payable to the Borrower;

14. all proceeds, products, replacements, additions, substitutions, renewals and accessions of any of the foregoing.

The security interest granted in this agreement shall continue in full force and effect until the Mortgagor has fully paid and discharged all of the indebtedness and until this Agreement is terminated.

This Subordinate Mortgage and Security Agreement shall constitute a "Security Agreement" and shall be effective as a fixture filing under the UCC Secured Transactions, N.J.S.A. 12A:9-101, et seq. Borrower authorizes the Lender to file and refile such financing statements, continuation statements or security agreements as the Lender shall require from time to time.

Section 8. ASSIGNMENT OF LEASES AND RENTS

The Borrower assigns, transfers and sets over unto the Lender, all of the Borrower's right, title and interest in, to and under all leases and rents between the Borrower and any present or prospective tenant or sublessee as well as all federal and State subsidy payments to which the Borrower is or will be entitled with respect to the Project and/or the Land. As long as no Event of Default exists, the Borrower shall have a license to collect the rents under the leases or from the rental of the Project and/or the Land, and any other items assigned hereunder. Upon the occurrence of an Event of Default under the Loan Documents, said license shall terminate until such default shall have been fully cured. The Lender may exercise its rights under this assignment upon the occurrence of an Event of Default under the Loan Documents.

Upon the payment of the Principal Sum, this assignment shall become and be void and of no effect, but a notarized affidavit of any officer or attorney of the Lender declaring that any part of Principal Sum remains unpaid shall be sufficient evidence of the validity, effectiveness and continuing force of this assignment as to any person liable under the aforesaid leases or rentals. A demand on the tenants or sublessees by the Lender for the payment of rent shall be sufficient warrant to said tenant to make future payment of rent to the Lender without the necessity for further consent by the Borrower.

Neither this assignment nor any act done or omitted by the Lender pursuant to the powers and rights granted to it by this assignment shall be deemed to be a waiver by the Lender of its rights and remedies under the Loan Documents and this assignment is made and accepted without prejudice to any of the rights and remedies possessed by the Lender under the terms of the Loan Documents. The right of the Lender to collect the Principal Sum plus interest and/or to enforce any other rights and remedies of the Lender under the Loan Documents may be exercised either simultaneously with, independent of or subsequent to any action taken by the Lender under this assignment and notwithstanding whether or not any action is taken by the Lender under this assignment.

Notwithstanding any of the terms and conditions of this assignment, the Lender shall not have any obligation to any tenant or sublessee until the Lender makes a demand on the tenant or sublessee and Borrower shall indemnify and hold Lender harmless against any and all liability, loss or damage for claims that may be asserted against Lender by reason of any alleged obligation to be performed by Lender under the subject leases. Upon such demand, the Lender shall have the rights of the Borrower under the subject lease.

Section 9. INCORPORATION OF MORTGAGE DISBURSEMENT AGREEMENT AND REGULATORY AGREEMENT; CONFLICT

All provisions of the Mortgage Disbursement Agreement and Regulatory Agreement are hereby incorporated by reference into this Subordinate Mortgage and made a part hereof. The Borrower hereby agrees, acknowledges, and understands that the terms and conditions of this Subordinate Mortgage include all terms and conditions of the Mortgage Disbursement Agreement and Regulatory Agreement and that it is to look to both documents in connection with all rights, duties, obligations, liabilities, warranties, representations, covenants and other terms as if both were a single document. Reference to any specific provision to be found in the Regulatory Agreement is not intended or to be construed as excluding any other provisions not specifically referenced. The Borrower hereby acknowledges that it has received a true copy of the fully executed Mortgage Disbursement Agreement and Regulatory Agreement.

Section 10. DEFAULTS; REMEDIES

The events of default under this Subordinate Mortgage and the remedies of the Lender shall be as specifically set forth in the Regulatory Agreement.

Section 11. SEVERABILITY

The invalidity of any part or provision hereof shall not affect the validity, legality or enforceability of the remaining portions hereof, and to this end the provisions of this Subordinate Mortgage shall be severable.

Section 12. SUCCESSORS AND ASSIGNS

The Borrower hereby consents to any assignment of this Subordinate Mortgage by the Lender. No assignment or delegation of this Subordinate Mortgage by the Borrower is permitted unless approved in writing by the Lender. If assigned, all rights, duties, obligations and interest arising under this Subordinate Mortgage shall bind and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

Section 13. PERSONAL LIABILITY

Notwithstanding any other provision contained in this Subordinate Mortgage or the other Loan Documents, the Lender agrees, on behalf of itself and any future holder of the Subordinate Mortgage Note, that the liability of the Borrower, any general or limited partner, member or shareholder of the Borrower and their respective heirs, representatives, successors and assigns, for the payment of its obligations under the Loan Documents, including, without limitation, the payment of principal and interest due and other charges due hereunder and thereunder, shall be limited to the collateral pledged under this Subordinate Mortgage and the other Loan Documents, and that the Lender shall have no right to seek a personal judgment against the Borrower, any general or limited partner, member or shareholder of the Borrower, or their respective heirs, representatives, successors and assigns, individually, except to the extent necessary to subject the collateral pledged under this

Subordinate Mortgage and the other Loan Documents to the satisfaction of the mortgage debt; provided, however, that the Lender shall retain the right to exercise any and all remedies granted to it under this Subordinate Mortgage and the other Loan Documents, including without limitation the right to sue for injunctive or other equitable relief. The foregoing limitation of liability shall not apply to any party to the extent such party has committed fraudulent, criminal or unlawful acts and shall not apply to such amounts that may be due to the Lender pursuant to Sections 11, 12, 13, 14, 15(c) through (e), 33 and 42, of the Regulatory Agreement.

Section 14. COUNTERPARTS

This Agreement may be executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original. A fax copy of a signature on this Agreement shall have the same effect as an original provided that an original is received by the other party hereto within two business days thereafter.

Section 15. MORTGAGE TERM; DISCHARGE OF LIEN OF MORTGAGE

The term of this Subordinate Mortgage shall run through the maturity date of **July 1, 2046**, as set forth in the Subordinate Mortgage Note. Upon the payment of the Principal Sum, plus interest due and performance by the Borrower of all of its obligations under this Subordinate Mortgage and the Subordinate Mortgage Note, this Subordinate Mortgage and the lien created hereby, and all covenants, agreements and other obligations of the Borrower hereunder, shall cease, terminate and become void and be discharged and satisfied. In such event, the Lender shall, at the expense of the Borrower, execute any and all instruments reasonably required to evidence the satisfaction, cancellation and discharge of this Subordinate Mortgage. The repayment of the Principal Sum plus interest and the discharge of the lien of this Subordinate Mortgage shall not affect the Borrower's obligations that continue under the terms of the Regulatory Agreement, the Borrower acknowledging that the continuing effectiveness of the Regulatory Agreement and the Borrower's obligations thereunder shall be determined by its own terms subsequent to the discharge of this Subordinate Mortgage.

The Owner and Agency agree to cooperate with each other to correct any error(s) that might inadvertently appear in the Loan Documents.

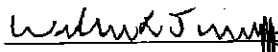
IN WITNESS WHEREOF, this Subordinate Mortgage is duly executed by the Borrower on the date set forth in Section 1 and by signing below, the Borrower acknowledges that it has received a true copy of this Subordinate Mortgage, without charge.

WITNESS/ATTEST

WHITLOCK MILLS, L.P.

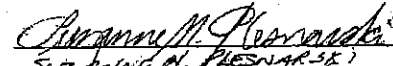
By HTA Whitlock, LLC,
its General Partner


Name: SUZANNE M. PLESNARSKI

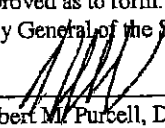
By: 
Name: Wallace L. Scruggs,
Title: Managing Member

STATE OF ^{NEW JERSEY} ~~MARYLAND~~, COUNTY OF ^{MERCER} ~~HOWARD~~ SS:

I CERTIFY that on June 7, 2010, WALLACE L. SCRUGGS personally came before me, the subscriber, a Notary Public of the State of Maryland and acknowledged under oath, to my satisfaction that (a) he is the **Managing Member** of HTA Whitlock, LLC, the **General Partner** of **WHITLOCK MILLS, L.P.**, the limited partnership named in this document; and (b) he executed and delivered this document as the voluntary act of the limited partnership duly authorized by the partners.


SUZANNE M. PLESNAR
Notary Public of the State of ^{NEW JERSEY} ~~Maryland~~
My Commission Expires on 9/30/2012

This Mortgage has been reviewed
and approved as to form.
Attorney General of the State of New Jersey

By: 
Robert M. Purcell, Deputy Attorney General

Revised August 2004

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: WHITLOCK MILLS-HUD/NEU #140700019

Commitment No: 2007-80012

4. The land referred to in this Commitment is described as follows:

ALL THAT CERTAIN TRACT, PARCEL AND LOT OF LAND LYING AND BEING SITUATE IN THE CITY OF JERSEY CITY, COUNTY OF HUDSON, STATE OF NEW JERSEY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FORMED BY THE INTERSECTION OF FORMER CENTERLINE OF MANNING AVENUE, WITH THE NORTHEASTERLY OF LAFAYETTE STREET; THENCE;

1. SOUTH 31°09'00" EAST ALONG THE NORTHWESTERLY LINE OF LAFAYETTE STREET, A DISTANCE OF 30.04 FEET TO A POINT; THENCE;

2. SOUTH 61°51'00" WEST A DISTANCE OF 30.04 FEET, TO A POINT IN THE FORMER CENTERLINE OF LAFAYETTE STREET (VACATED); THENCE;

3. SOUTH 31°09'00" EAST, ALONG THE FORMER CENTERLINE OF LAFAYETTE STREET A DISTANCE OF 100.14 FEET, TO A POINT; THENCE;

4. SOUTH 61°51'00" WEST, A DISTANCE OF 30.04 FEET, TO A POINT IN THE FORMER SOUTHWESTERLY LINE OF LAFAYETTE STREET; THENCE;

5. NORTH 31°09'00" WEST, ALONG THE FORMER SOUTHWESTERLY LINE OF LAFAYETTE STREET A DISTANCE OF 120.16 FEET, TO A POINT; THENCE;

6. SOUTH 61°51'00" WEST, A DISTANCE OF 164.85 FEET, ALONG THE FORMER SOUTHEASTERLY LINE OF MANNING AVENUE; THENCE;

7. NORTH 30°53'45" WEST A DISTANCE OF 10.02 FEET, TO A POINT IN THE FORMER CENTERLINE OF MANNING AVENUE; THENCE;

8. NORTH 61°51'00" EAST ALONG THE FORMER CENTERLINE OF MANNING AVENUE, A DISTANCE OF 13.30 FEET, TO A POINT; THENCE;

9. NORTH 30°53'45" WEST A DISTANCE OF 196.84 FEET, TO A POINT OF CURVE; THENCE;

10. IN A GENERAL NORTHERLY DIRECTION, CURVING TO THE RIGHT ON A RADIUS OF 409.05 FEET, AN ARC DISTANCE OF 66.27 FEET TO A POINT OF COMPOUND CURVE; THENCE

11. IN A GENERAL NORTHERLY DIRECTION, CURVING TO THE RIGHT ON A RADIUS OF 168.42 FEET, AN ARC DISTANCE OF 109.80 FEET TO A POINT; THENCE

12. NORTH 62°57'40" WEST, 73.25 FEET TO A POINT; THENCE

(Continued on Next Page)

Page A2 - 1BK=08255 PG=00090

MAY 01/22/07 14:48:00

HPV2 12/04

NAT

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: WHITLOCK MILLS-HUD/NBU #140700019

Commitment No: 2007-80012

13. SOUTH 58°04'00" WEST, 32.05 FEET TO A POINT; THENCE
14. NORTH 31°09'00" WEST, 125.03 FEET TO A POINT IN THE SOUTHEASTERLY LINE OF M.S. CONRAIL C.R.R. CO. OF N.J., LAFAYETTE BRANCH MAIN STEM; THENCE
15. NORTH 59°02'00" EAST, ALONG SAME, 16.73 FEET TO A POINT; THENCE
16. NORTH 63°02'00" EAST, ALONG SAME, 83.20 FEET TO A POINT; THENCE
17. NORTH 67°17'16" EAST, ALONG SAME, 98.47 FEET TO A POINT; THENCE
18. NORTH 70°02'00" EAST, ALONG SAME, 58.31 FEET TO A POINT; THENCE
19. NORTH 75°02'00" EAST, ALONG SAME, 28.69 FEET TO A POINT; THENCE
20. NORTH 76°02'00" EAST, ALONG SAME, 48.85 FEET TO A POINT; THENCE
21. NORTH 80°17'00" EAST, ALONG SAME, 48.52 FEET TO A POINT; THENCE
22. NORTH 82°47'00" EAST, ALONG SAME, 37.15 FEET TO A POINT; THENCE
23. SOUTH 86°43'00" EAST, ALONG THE SOUTHWESTERLY LINE OF M.S. CONRAIL C.R.R. CO. OF N.J., LAFAYETTE BRANCH MAIN STEM, 86.44 FEET TO A POINT; THENCE
24. SOUTH 80°58'00" EAST, ALONG SAME, 67.59 FEET TO A POINT; THENCE
25. SOUTH 75°43'00" EAST, ALONG SAME, 57.63 FEET TO A POINT; THENCE
26. SOUTH 70°08'00" EAST, ALONG SAME, 249.80 FEET TO A POINT; THENCE
27. SOUTH 14°29'00" WEST, 75.67 FEET TO A POINT; THENCE
28. SOUTH 28°09'00" EAST, 111.44 FEET TO A POINT IN THE TERMINUS OF MAPLE STREET; THENCE
29. SOUTH 61°51'00" WEST, ALONG THE TERMINUS OF MAPLE STREET (60 FEET WIDE) AND ALONG THE FORMER CENTERLINE OF MANNING AVENUE, NOW BEING THE NORTHWESTERLY LINE OF THE (FORMERLY VACATED) SOUTHERLY HALY OF MANNING AVENUE (30 FEET WIDE) A DISTANCE OF 182.47 FEET TO A POINT; THENCE
30. NORTH 28°09'00" WEST, 69.88 FEET TO A POINT; THENCE
31. SOUTH 61°51'00" WEST, 45.75 FEET TO A POINT; THENCE
32. NORTH 30°22'20" WEST, 17.72 FEET TO A POINT; THENCE
33. SOUTH 59°37'40" WEST, 74.60 FEET TO A POINT; THENCE

Page A2 - 2 BK:08255 PG:00091

NVAC 12/04

MAT

MAT 01/22/07 14:48:00

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: WHITLOCK MILLS-HUD/NEU #140700019

Commitment No:

2007-80012

34. NORTH 30°22'20" WEST, 130.57 FEET TO A POINT; THENCE
35. NORTH 59°37'40" EAST, 46.00 FEET TO A POINT; THENCE
36. NORTH 30°22'20" WEST, 90.52 FEET TO A POINT; THENCE
37. NORTH 59°37'40" EAST, 74.32 FEET TO A POINT; THENCE

38. SOUTH 30°22'20" EAST, 240.58 FEET TO THE END OF THE ABOVE 30TH COURSE ABOVE GIVEN; THENCE

39. SOUTH 28°09'00" EAST, ALONG SAID 30TH COURSE 69.88 FEET TO A POINT IN THE FORMER CENTERLINE OF MANNING AVENUE, NOW BEING THE NORTHWESTERLY LINE OF THE (FORMERLY VACATED) SOUTHERLY HALF OF MANNING AVENUE; THENCE

40. SOUTH 61°51'00" WEST, ALONG SAME, 276.06 FEET TO THE PLACE OF BEGINNING.

THE PARCEL OF LAND AND PREMISES WITHIN THE ABOVE DESCRIBED COURSES 26 THROUGH 33 INCLUSIVE IS KNOWN AS LOT 17, BLOCK 2057 AND IS NOT INCLUDED IN THE ABOVE DESCRIBED LANDS.

BEING SUBJECT TO A NONEXCLUSIVE INGRESS AND EGRESS EASEMENT BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF LAFAYETTE STREET (60 FEET WIDE) WITH THE SOUTHEASTERLY LINE OF FORMER MANNING AVENUE (60 FEET WIDE) (VACATED 7/19/1955); THENCE

1. NORTH 31°09'00" WEST, ALONG THE CENTER LINE OF LAFAYETTE STREET, 74.08 FEET TO A POINT; THENCE
2. NORTH 61°51'00" EAST, 209.12 FEET; THENCE
3. NORTH 30°22'20" WEST, 41.50 FEET TO A POINT IN THE LINE OF TAX LOT 17, BLOCK 2057; THENCE
4. NORTH 59°37'40" EAST, ALONG SAME, 54.50 FEET TO A POINT; THENCE
5. SOUTH 30°22'20" EAST, 45.70 FEET TO A POINT; THENCE
6. NORTH 61°51'00" EAST, 40.00 FEET TO A POINT; THENCE
7. SOUTH 28°09'00" EAST, 41.92 FEET TO A POINT IN THE FORMER CENTER LINE OF MANNING AVENUE (VACATED 7/19/1955); THENCE
8. SOUTH 61°51'00" WEST, ALONG SAME, 95.00 FEET TO A POINT; THENCE
9. NORTH 28°09'00" WEST, 18.00 FEET TO A POINT; THENCE

PK-08255

PG-00092

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: WHITLOCK MILLS-HUD/NBU #140700019

Commitment No: 2007-80012

10. SOUTH 61°51'00" WEST, 158.37 FEET TO A POINT OF CURVE; THENCE

11. IN A GENERAL SOUTHEASTERLY DIRECTION, CURVING TO THE LEFT ON A RADIUS OF 18.00 FEET, AN ARC DISTANCE OF 29.22 FEET TO A POINT IN THE EXTENDED NORTHEASTERLY LINE OF LAFAYETTE STREET; THENCE

12. SOUTH 31°09'00"EAST, ALONG SAME, 30.04 FEET TO A POINT IN THE FORMER SOUTHEASTERLY LINE OF VACATED MANNING AVENUE; THENCE

13. SOUTH 61°51'00" WEST, ALONG SAME, 30.04 FEET TO THE PLACE OF BEGINNING.

THE FOREGOING DESCRIPTION BEING IN ACCORDANCE WITH A SURVEY PREPARED BY VOLLMER ASSOCIATES, LLP, DATED JUNE 12, 2003 REVISED TO MAY 18, 2004.

BEING ALSO KNOWN AS (REPORTED FOR INFORMATIONAL PURPOSES ONLY):

LOT 28, BLOCK 2057, ON THE OFFICIAL TAX MAP OF THE CITY OF JERSEY CITY, COUNTY OF HUDSON, STATE OF NEW JERSEY.

FILED
20100624060062730
06/24/2010 06:53:11 PM
MORTGAGES
NUMBER OF PAGES : 12
JPLSCOPD

BK:08255 PG:00093.

2172 446

This Indenture,

Made the 2nd day of May, in the year of our Lord
One Thousand Nine Hundred and Forty-six
Between WHITLOCK CORDAGE COMPANY, a corporation of the State of
New Jersey,

And EMBURY, INC., a corporation of the State of New Jersey,
located at No. 129 North Broadway, in the City of Camden, in
the County of Camden and State of New Jersey.

Witnesseth, That the said party of the First Part, for and in consideration of One (\$1.00)

Dollar and other good and valuable consideration,

lawful money of the United States of America, to it in hand well and truly paid by
the said party of the Second Part, at or before the making and delivery of these presents, the receipt
whereof is hereby acknowledged, and the said party of the First Part being therewith fully satisfied,
contented and paid, has given, granted, bargained, sold, aliened, released, conveyed, confirmed
and confirmed, and by these presents do give, grant, bargain, sell, alien, release, convey
and confirm unto the said party of the Second Part, and to its successors and assigns, forever,
All that

tract or parcel of land and premises, hereinafter particularly described, situate, being and being
in the City of Jersey City
Hudson and State of New Jersey.

BEGINNING at a point in the Northwesterly line of Manning Avenue distant 234.08 feet Northeastwardly from the corner formed
by the intersection of the Northeastery line of Manning Avenue and the Northeastery line of Communipaw Avenue and running; thence (1)
North 20 degrees 44 minutes 45 seconds East and along the North-
easterly line of lands conveyed by Whitlock Cordage Company to the
Riverside Lumber Company by deed dated June 10, 1910, recorded in the
Register's Office of Hudson County in Book 1000 of Deeds, page 218,
238.82 feet to a point in the Northwesterly line of lands conveyed
as aforesaid by Whitlock Cordage Company to the Riverside Lumber Company;
thence (2) North 58 degrees 13 minutes East 26.71 feet to a point;
thence (3) South 62 degrees 48 minutes 40 seconds East 68.59 feet to
a point; thence (4) along a curve running in a Southeasterly direction
and curving to the East with a radius 101.42 feet an arc distance of
109.86 feet to a point, the chord of said arc bearing South 7 degrees
24 minutes 33 seconds East a distance of 107.54 feet; thence (5)
along another curve continuing in a Southeasterly direction and
curving to the East with a radius 403.05 feet an arc distance of 66.27
feet to a point of tangency; the chord of said arc bearing South
26 degrees 08 minutes 15 seconds East a distance of 66.20 feet; thence
(6) parallel with the first course South 30 degrees 44 minutes 45
seconds East 108.60 feet to a point in the Northwesterly line of
Manning Avenue; thence (7) along the said Northwesterly line of
Manning Avenue South 52 degrees East 18.02 feet to the point and
place of beginning.

Together with an easement ten feet in width extending from the
point in the third course of the premises above described across the
lands of the party of the first part adjacent thereto, to provide
suitable access to the lands hereby conveyed, either from Lafayette
Street or from Communipaw Avenue via Manning Avenue, at the election
of the party of the first part.

BEING the same premises, with other land, that New Jersey Zinc
Company, by Deed dated June 3, 1904, recorded June 3, 1904 in the
Office of the Register of Deeds of Hudson County, in Book 880 of Deeds,
page 12, granted and conveyed unto Lawrence Cordage Works, in fee.

On February 28, 1935, said Lawrence Cordage Works changed its

RRS

018

691

located under County Block

3.3.46

BOOK 2172 PAGE 448
State of New Jersey,
County of HUDSON.

We it Remembered that on this 2nd day of May, 1946, before me, the subscriber, in the year One Thousand Nine Hundred and Forty-six, personally appeared HAMILTON J. WHITLOCK, who, being by me duly sworn as to each, doth depose and make proof to my satisfaction, that he is the Assessor of the County of Hudson.

that H.A. WHITLOCK, the Tutor named in the within instrument, is the President of said corporation; that the execution, as well as the making of this instrument has been duly authorized by a proper resolution of the Board of Directors of said corporation; that deponent well knows the corporate seal of said corporation; and the seal affixed to said instrument is such corporate seal and was thereto affixed and said instrument signed and delivered by said President, as and for his voluntary act and deed and as and for the voluntary act and deed of said corporation, in presence of deponent, who thereupon subscribed his name thereto as witness.

Sworn and subscribed before me,
at Jersey City, N.J.,
the date aforesaid

ALFRED R. BECKER
Notary in Chancery of New Jersey.

HAMILTON J. WHITLOCK

ASSASSIN
H.A. WHITLOCK

SHILOH CORP. & COMPANY,
a corp. of N.J.

TO
FARMLEY, INC., a corp. of
N.J.

Dated May 2, 1946.
Received in the Office of
the County of N.J.
on the day of
A.D. 19 at o'clock in the
and recorded in Book of DEEDS
for said County, on page

ALFRED R. BECKER & COMPANY
15 Exchange Place
Jersey City 2, N.J.

EX-100
F-2-16
EX-100
F-2-16

REGISTERED OFFICE
MAY 18 AM 9:26
HUDSON COUNTY, N.J.

Register of Hudson County

Deeds to Whitlock Cordage Company.

2172 447

And by Deed from New Jersey Junction Railroad Company, New York Central and Hudson River Railroad Company, to Whitlock Cordage Company, dated April 13, 1907, recorded May 31, 1907 in said Office, in Book 984 of Deeds, Page 147.

Together with all and singular the houses, buildings, trees, crops, waters, profits, privileges and advantages, with the appurtenances to the same belonging or in anywise appertaining;

Also, all the estate, right, title, interest, property, claims and demands whatsoever, of the said party of the First Part, of, in and to the same, and of, in and to every part and parcel thereof.

To have and to hold, all and singular the above described land and premises, with the appurtenances, unto the said party of the Second Part, its ^{SUCCESSORS} heirs and assigns, to the only proper use, benefit and behoof of the said party of the Second Part, its ^{SUCCESSORS} heirs and assigns forever.

IN WITNESS WHEREOF, the said party of the first part, has caused its common seal to be hereto affixed and attested by its Secretary, and these presents to be signed by its President, the day and year first above written.

WHITLOCK CORDAGE COMPANY

By H.A. Whitlock President

ATTEST:

Hamilton J. Whitlock Secretary.

DEED

Prepared by: (Print signer's name below signature)

Mark H. Safran, Esq.

This Deed is made on December 16, 1999.

BETWEEN
LAFAYETTE-MANNING, INC., a New Jersey Corporation

whose address is 160 Lafayette Street, Jersey City, NJ 07309
referred to as the Grantor.

AND
A&S MILLS INC., a New Jersey Corporation

A COPY OF
THIS DEED MUST BE FILED WITH THE

whose post office address is 160 Lafayette Street, P.O. Box 9133, Jersey City,
NJ 07309

The words "Grantor" and "Grantee" shall mean all Grantors and all Grantees listed above.

Transfer of Ownership. The Grantor grants and conveys (transfers ownership of) the property
described below to the Grantee. This transfer is made for the sum of **Three Hundred**
Thousand (\$300,000.00) Dollars.

The Grantor acknowledges receipt of this money.

Tax Map Reference. (N.J.S.A. 46:15-2.1) Municipality of **Jersey City**
Block No. **2057** Lot No. **17**
Account No.
No property tax identification number is available on the date of this deed. (Check box if applicable.)

Property. The property consists of the land and all the buildings and structures on the land in
the City of **New Jersey**
County of **Hudson** and State of New Jersey. The legal description is:

Being known and designated as part of Lot 15K in Block 2057 as
shown on a certain map entitled "Minor Subdivision of Lots 15K,
S1, S2 and S3, Block 2057 on the tax maps of the City of Jersey
City, Hudson County, New Jersey", filed in the Office of the
Hudson County Register on December 9, 1998 as filed map no. 3685.

Being more particularly described as follows:

Beginning at a point distant the following courses from the
intersection of the northeasterly line of Lafayette Avenue and the
former southeasterly line of Manning Avenue, now vacated, and
running; thence

- A. along the former southeasterly line of Manning Avenue, North
61 degrees 57 minutes East 274.49 feet; thence
- B. North 28 degrees 09 minutes West 99.88 feet to the point or
place of Beginning, and running; thence
- 1) South 61 degrees 51 minutes 00 seconds West 45.75 feet; thence
- 2) North 30 degrees 22 minutes 20 seconds West 17.72 feet; thence
- 3) South 59 degrees 37 minutes 40 seconds West 74.60 feet; thence
- 4) North 30 degrees 22 minutes 20 seconds West 130.57 feet;
thence
- 5) North 59 degrees 37 minutes 40 seconds East 46.00 feet; thence
- 6) North 30 degrees 22 minutes 20 seconds West 90.52 feet; thence
- 7) North 59 degrees 37 minutes 40 seconds East 74.32 feet; thence
- 8) South 30 degrees 22 minutes 20 seconds East 240.58 feet to
the point or place of Beginning.

The above description being drawn in accordance with a survey made
by Statewide Surveying & Land Development Co. dated September 20,
1999.

(continue)

BK5546PG310

99 DEC 22 4:11:45

012712

RECEIVED
AND
FILED

County State A.P.A.R.F. Total
304.24 745.78 225.00 1275.06
1463 Dates: 12/21/1999

Together with an easement for ingress and egress as shown on a certain map entitled "Minor Subdivision of Lots 15K, S1, S2 and S3, Block 2057 on the tax maps of the City of Jersey City, Hudson County, New Jersey", filed in the Office of the Hudson County Register on December 9, 1998 as filed map no. 3685, and more particularly described as follows:

Beginning at a point formed by the intersection of the easterly line of Lafayette Avenue with the former southeasterly right of way line of Manning Avenue, now vacated, and running thence

- 1) Along the said former southeasterly right of way line of Manning Avenue, now vacated, South 61 degrees 51' 00" West 30.04 feet; thence
- 2) North 31 degrees 09' 00" West 74.00 feet; thence
- 3) North 61 degrees 51' 00" East 215.00 feet; thence
- 4) North 30 degrees 22' 20" West 43.00 feet; thence
- 5) North 59 degrees 37' 40" East 54.5 feet; thence
- 6) South 30 degrees 22' 20" East 45.7 feet; thence
- 7) North 61 degrees 51' 00" East 40.00 feet; thence
- 8) South 28 degrees 09' 00" East 42.00 feet to a point in the former center line of Manning Avenue, now vacated; thence
- 9) South 61 degrees 51' 00" West 95.00 feet; thence
- 10) North 28 degrees 09' 00" West 18.00 feet; thence
- 11) South 61 degrees 51' 00" West 167.00 feet; to a point of curve; thence
- 12) Along a curve to the left having a radius of 18.0 feet, an arc length of 28.27 feet to a point in the former center line of Manning Avenue, now vacated; thence
- 13) South 31 degrees 09' 00" East 30.04 feet to a point in the former southeasterly right of way line of Manning Avenue, now vacated, being the point of beginning.

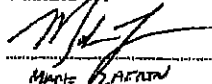
NOTE: For information purposed only: Known and designated as Lot 17 in Block 2057 on the current tax map of the City of Jersey City, Hudson County, New Jersey.

Being part of the same premises conveyed to Lafayette-Manning, Inc. by deed from Crossland Developing, Inc. dated September 12, 1998 recorded September 14, 1998 in Book 5335 of Deeds, page 221 in the Register's Office of the County of Hudson and by Corrective Deed dated April 19, 1999 made by Crossland Developing, Inc. and intended to be recorded simultaneously herewith.

Promises by Grantor. The Grantor promises that the Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that the Grantor has not allowed anyone else to obtain any legal rights which affect the property (such as by making a mortgage or allowing a judgment to be entered against the Grantor).

Signatures. The Grantor signs this Deed as of the date at the top of the first page.

Witnessed by:


Mark H. Shapiro

LAFAYETTE-MANNING INC. (Seal)

By:  (Seal)
Harvey Shapiro, President

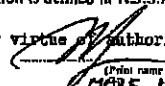
STATE OF NEW JERSEY, COUNTY OF HUDSON

SS.:

I CERTIFY that on December 17, 1999

Harvey Shapiro personally came before me and acknowledged under oath, to my satisfaction, that this person (or if more than one, each person):
(a) is named in and personally signed this Deed;
(b) signed, sealed and delivered this Deed as President of Lafayette-Manning, Inc. *
(c) made this Deed for \$ 300,000.00 as the full and actual consideration paid or to be paid for the transfer of title. (Such consideration is defined in N.J.S.A. 46:15-5.)

*the corporation named in this deed and as the act and deed of the corporation by virtue of authority from its Board of Directors.


MARK H. SHAPIRO
Attorney at Law
State of New Jersey

BK5546PG312

DEED

LAFAYETTE-MANNING INC.

TO

A&S MILLS INC.

Grantor.

Grantee.

Dated: December 17, 1999

Record and return to:

**VESTED TITLE INC.
648 NEWARK AVENUE
JERSEY CITY, NJ 07308
(201) 659-8220
NJ (800) 637-0251**

52074

BK5546PG313

008203

01 AUG -6 PM 1:38

8/554

RECEIVED
AND

AGREEMENT TO GRANT AN EASEMENT

Barbara A. Murphy
REGISTERED CLERKThis Agreement made this 22nd day of July, 2001, between Lafayette-Manning Inc.,whose address is 538 E. 89th Street, Suite 4E, City of New York, State of New York,10128 ("Grantor") and A&S Mills Inc., having offices at 170 Lafayette Street, City of
Jersey City, State of New Jersey 07304 ("Grantee").

WHEREAS, Grantor represents and warrants that it owns and has fee simple title to that
certain parcel of real estate located at 160 Lafayette Street, Jersey City, New Jersey
07304 identified on the Jersey City tax map as Block 2057 Lot 18 more fully described
in Schedule A attached hereto; and

WHEREAS, Grantee represents and warrants that it owns and has a fee simple title to
that certain parcel of real estate located at 170 Lafayette Street, Jersey City, New Jersey
07304 identified on the Jersey City tax map as Block 2057 Lot 17, more fully described
in Schedule B attached hereto; and

WHEREAS, Grantor heretofore established an easement for the benefit of Grantee,
tenants and invitees, as more particularly described in that certain deed from Grantor to
Grantee dated December 16, 1999, recorded December 22, 1999, in Book 5546 of
Deeds, page 310 in the Hudson County Register's Office which easement provides,
among other things, for access to the premises of Grantee; and

WHEREAS, the Grantor and Grantee wish to modify, revise and amend the aforesaid
easement to provide 50 (fifty) parking spaces and to vacate the prior easement upon

845848P0258

completion of a new road system and parking scheme, as more particularly described in Schedule C attached hereto; and

WHEREAS, all the other conditions of the easement dated December 16, 1999 and recorded December 22, 1999, in Book 5546 of deeds, page 310 in the Hudson County Register's Office shall continue to be in effect, including, but not limited to the right of ingress and egress, to Grantee's building, with a large truck to a loading dock until completion of a new road system and parking scheme at which time said easement shall no longer be in effect.

WHEREAS, the parties agree that until the aforementioned road system and permanent parking scheme is completed, Grantee shall have the license to use fifty (50) temporary parking spaces on or about Grantor's property (Block 2057 Lot 18); and

WHEREAS, Grantee, at its own expense, has agreed to clean at his discretion that portion of Grantor's land that lies between the adjoining frontage of Lafayette Park and the portion of Grantor's buildings directly opposite the frontage of the park in order to use said portion of land to create fifty (50) temporary parking spaces; said right to clean shall terminate upon the beginning of Grantor's construction pursuant to the proposed development and in the event the permanent parking scheme is not complete Grantor shall assign another portion of Grantor's land for the purpose of continuing temporary parking for fifty (50) cars until the permanent parking scheme is complete, consistent with Schedule C; and

WHEREAS, the parties have agreed that both shall have in place liability insurance while the cleaning of the above mentioned area is being done; and

WHEREAS, the Grantor has agreed to submit a report by a licensed civil engineer, of the State of New Jersey, that the 50 (fifty) permanent parking spaces have been completed, together with the access roads to those 50 (fifty) permanent parking spaces; and

WHEREAS, the Grantee has agreed to pay for all of the improvements to the easement area of the 50(fifty) permanent parking spaces; and

WHEREAS, Grantee has agreed to provide Grantor with a copy of an architectural plan, reflecting all of the proposed improvements to be completed on Schedule C, for approval of Grantor, which approval shall not be unreasonably withheld; and

WHEREAS, Grantor has agreed to submit a preliminary site plan approval to the Planning Board of the City of Jersey City wherein the Grantor shall set forth that the land burdened by the permanent easement to be granted shall be used to park 50 vehicles, said vehicles to be owned exclusively by the residents of Block 2057 Lot 17 and their guests and which road access plan, set forth on the preliminary site plan, shall allow the continued access by grantee by truck to grantee's building over the new road system.

NOW THEREFORE, in consideration of Ninety Thousand (\$90,000.00) Dollars to be paid by the Grantee to the Grantor, it is mutually agreed as follows:

1. Grantor hereby agrees to sell, bargain, grant and conveys onto said Grantee, tenants and invitees, its successors and assigns, forever, the right to use the said portion of the property as permanent parking spaces, as designated in Schedule C of the site plan attached hereto which total 50 (fifty) permanent parking spaces at such time as Grantor or Grantee submit a report by a licensed, civil engineer of the State of New Jersey, certifying that the 50 (fifty) permanent parking spaces have been completed together with the access roads to those 50 (fifty) permanent parking spaces.

2. Grantee shall have the right to clean, at its expense, that portion of Grantor's land that lies between the adjoining frontage of Lafayette Park and the portion of Grantor's buildings directly opposite the frontage of the park, in order to use said portion of land to create fifty (50) temporary parking spaces which use shall continue until the permanent fifty (50) parking spaces have been completed; this right to clean shall become effective immediately. This right to clean shall terminate upon the beginning of Grantor's construction pursuant to the proposed development.

3. Grantee shall improve the easement area as parking spaces, with paving, drainage, walkways, landscaping, lighting and any other requirements pursuant to standards that are consistent and harmonious with the manner in which parking lots and parking spaces are constructed on Grantor's property, pursuant to the proposed development. The work to be done by the Grantee shall be completed according to a

timetable determined by the progress of development of Grantee's development of Lot 17 Block 2057. Grantee shall pay for all improvements to the easement area of the 50 (fifty) permanent parking spaces.

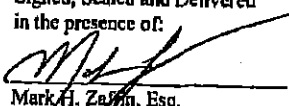
4. In the event Grantee obtains title insurance policy for the land affected by the instant easement, Grantor shall make available for inspection by the title company any evidence of title in Grantor's possession.

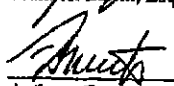
5. Grantee, its successors and/or assigns shall enjoy a non-exclusive right to travel along any and all roads open to the public that Grantor has on its side of the proposed development, in order for Grantee, its successors and assigns, to have access to the 50 permanent parking spaces which are the subject matter of this easement.

6. Grantee shall pay an appropriate share of the cost of maintaining, insuring and otherwise operating the site improvements and services, shared by Grantor and Grantee. Grantee's share of payment shall be defined to be the percentage of the total residential and/or commercial unit that each party has of the total number of residential-commercial units that will be built or approved but not yet built on the site known as Block 2057 Lot 18 and Block 2057 Lot 17, excluding the one-half acre parcel zoned R-3 on the corner of the intersection of Lafayette Street and Manning Street.


IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and
seals the day and year first above written.

Signed, Sealed and Delivered
in the presence of:



Mark H. Zaffin, Esq.


Anthony Benevento, Esq.

LAFAYETTE-MANNING, INC.

By: 
Harvey Shapiro, President

A&S MILLS INC.

By: 
Juan Andrade, President

Record and Return to:

New Jersey Housing and Mortgage
Finance Agency
637 South Clinton Avenue
P.O. Box 18550
Trenton, New Jersey 08650-2085

000048344
RECEIVED
AND
RECORDED
HTG

06/03/2004 07:17A
BARBARA A. DONNELLY
HUDSON COUNTY
REGISTER OF DEEDS
Receipt No. 184793

HMFA#1388

HOME EXPRESS LOAN AGREEMENT AND DEED RESTRICTION

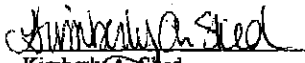
between

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

and

WHITLOCK MILLS, L.P.

Prepared by:


Kimberly A. Sted,
Deputy Attorney General

THIS HOME EXPRESS LOAN AGREEMENT AND DEED RESTRICTION (the "Loan Agreement") is hereby made on the 26th day of May 2004, by and between the NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY (the "Agency") and WHITLOCK MILLS, L.P., a limited partnership, having its principal place of business at 6851 Oak Hall Lane, Suite 100, Columbia, MD 21045, (hereinafter the "Sponsor"; the Agency and the Sponsor are, collectively, the "Parties").

WITNESSETH:

WHEREAS, the Sponsor has applied to and received a commitment for loan in the amount of \$4,000,000.00 from the Agency (the "Home Express Loan") on behalf of the New Jersey Department of Community Affairs (the "Department"), funded by the Neighborhood Preservation Balanced Housing Home Express Program ("Home Express") and

WHEREAS, the purpose of the Home Express Loan is to assist in the funding of Whitlock Mills, an affordable housing project to be located at 160 Lafayette Avenue, in the City of Jersey City, County of Hudson, State of New Jersey, as described in Schedule "A" attached hereto (the "Project") and to be developed by the Sponsor; and

WHEREAS, the Agency and the Sponsor shall execute a Mortgage and a Note in favor of the Agency that describe the terms and conditions of the Home Express Loan; and

WHEREAS, in consideration of the receipt of the Home Express financing, the Sponsor understands that the Project will be subject to tenant affordability restrictions and Agency oversight;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained the parties do hereby covenant and agree each with the other as follows:

1. **Applicable Law:** This Loan Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey including, but not limited to, the New Jersey Fair Housing Act of 1985, N.J.S.A. 52:27D-301 et seq. (the "Act"), the Neighborhood Preservation Balanced Housing Rules, N.J.A.C. 5:43-1 et seq. (the "Rules"), and the Home Express Program Guidelines (the "Guidelines").

2. **Superiority:** Should any of the terms and conditions of this Loan Agreement conflict with those of the Mortgage and the Note, the provisions of this Loan Agreement shall prevail.

3. **Amendments:** The parties agree to make no changes, amendments and/or to seek suspension or termination of this Loan Agreement without the prior written approval of the Agency.

4. **Proceeds:** Proceeds from the Home Express Loan shall be paid to the Sponsor at such times and in such manner as such funds are advanced by the Agency in accordance with payment procedures outlined in this Loan Agreement.

5. **Definitions:** Capitalized terms used herein shall have the following meanings:

"Act" means the New Jersey Fair Housing Act of 1985 (N.J.S.A. 52:27D-301 et seq.), as amended from time to time, and the regulations promulgated thereunder.

"Agency" means the New Jersey Housing and Mortgage Finance Agency or its authorized officer or representative.

"Agency Financing" means the construction and/or permanent mortgage loan(s) authorized by the Agency Board of Trustees for the Project.

"Architect" means the Architect of Record as designated by the Construction Contract.

"Borrower" means Whitlock Mills, L.P., a Maryland limited partnership.

"Code" means the Internal Revenue Service Code of 1986, as it may, from time to time, be amended.

"Commissioner" means the Commissioner of the Department.

"Construction Completion Date" means the date specified for completion of all stages of the work under the Construction Contract, which is 22 months from the date of the Notice to Proceed, unless otherwise modified pursuant to the terms of the Construction Contract.

"Construction Contract" means the contract between the Borrower and the Contractor, for the construction/rehabilitation of the Project.

"Construction Loan" means the construction loan made to the Borrower by the Lender to finance a portion of the cost of the acquisition and construction/rehabilitation of the Project as evidenced by the Note and secured by the Mortgage.

"Construction Period" means the time period prior to the issuance of a Certificate of Occupancy for all of the units constructed on the premises.

"Contractor" means Constructamax, Inc.

"Day" means calendar day unless otherwise indicated.

"Event of Default" means any of the events set forth in Section 22 of this Loan Agreement.

"Land" means the real property of the Project, described in Schedule "A" attached hereto.

"Loan Documents" means this Loan Agreement, the Mortgage, and the Note.

"Mortgage" means the Home Express Mortgage and Security Agreement, which is incorporated by reference herein, that secures the Home Express Loan and the Home Express Note.

"Mortgaged Premises" means the Project and the Land that secure the Home Express Loan and Note.

"Note" means the interest-bearing, conditional, non-recourse promissory note, which is incorporated by reference herein, that contains the promise of the Borrower to pay the sum of money stated therein at the times stated therein and evidences the obligation of the Borrower to repay the Home Express Loan.

"Payment and Performance Bonds" mean the bond or bonds securing the payment of the Contractor's obligations to subcontractors and workers relating to the construction of the Project and the performance of the Work pursuant to this Agreement and the Construction Contract.

"Plans and Specifications" means the plans and specifications for the Project submitted by the Architect.

"Project" means the real property as more specifically described in Schedule "A" attached hereto, and all improvements constructed thereon and personal property and fixtures located thereon pursuant to the Construction Contract.

"Specifications" means the Project Specifications and all additions hereafter issued by the Architect as provided in the Loan Documents, together with such other addenda as may be agreed upon by the parties.

"Subcontractor" means those who directly contract with the Contractor to perform any part of the Work (as hereinafter defined), including those who furnish substantial on-site labor, or substantial on-site labor and materials, but shall not include anyone furnishing materials without furnishing on-site labor.

"Title Company" means the firm that provides title insurance to the Agency for the Home Express Program.

6. **The Act/Rules:** In addition to complying with any other laws, rules, regulations and other authorities that may be applicable to the performance of this Loan Agreement, the Sponsor shall comply with all applicable provisions of the Act and the Rules.

7. **Federal Low Income Housing Tax Credits:** In addition to complying with any other laws,

rules and regulations that may be applicable to the performance of this Loan Agreement, in the event the Project is receiving federal low income housing tax credits (hereinafter "Tax Credits"), the Sponsor shall comply with all applicable provisions of the statutes, regulations, rules, and other authorities governing Tax Credits, including but not limited to, 26 U.S.C.A. § 42, 26 C.F.R. §§1.42-1 et seq., and N.J.A.C. 5:80-33.1 et seq.

8. **Agency Financing:** In addition to complying with any other laws, rules and regulations that may be applicable to the performance of this Loan Agreement, in the event the Project is receiving Agency Financing, the Sponsor shall comply with all applicable provisions of all statutes, rules, guidelines, policies, procedures and other authorities governing and regulating such Agency construction and/or permanent financing, including, but not limited to, N.J.S.A. 55:14K-1 et seq., N.J.A.C. 5:80-1.1 et seq., and the Agency Multifamily Underwriting Guidelines as then in effect.

9. **Affordable Units:** The Sponsor will construct/rehabilitate 330 units, of which 60% will be affordable rental housing units at the following sizes and initial maximum rents, as may be increased subject to HUD income determinations and the Agency's approval:

No. of Units	No. of BR's	Sq. Ft.	Monthly Rent (excluding tenant-paid utilities)	Low/Mod
77	1BR		\$583	Mod
1	1BR		\$516	Low
92	2BR		\$707	Mod
1	2BR		\$616	Low
27	3BR		\$803	Mod
198 of 330 TOTAL UNITS				

Utilities shall be provided as follows (check applicable box for each row):

	Landlord Pays	Tenant Pays	N/A
Heat (specify type) GAS		Y	

Hot Water (specify type) GAS		Y	
Electricity		Y	
Cooking (specify type) ELECTRIC		Y	
Air Conditioning ELECTRIC		Y	
Water	Y		
Sewer	Y		

10. Affordability Period: The Parties agree that this Project shall be primarily subject to the affordability restrictions governing and elected by the Sponsor with respect to any Tax Credits and Agency construction and/or permanent financing that this Project is receiving. Additionally, this Project shall be subject to the following affordability requirements:

a. The units funded by the Home Express Loan ("Project Units") shall remain affordable for a period of no less than 40 years unless otherwise authorized by the Commissioner ("Affordability Period"). The Affordability Period shall commence simultaneously with the first day of the affordability period corresponding to the Project's Tax Credits or Agency Financing, as applicable.

11. Timetable: The timetable for this Project is as follows:

Financing closing date(s): May 26, 2004
Construction start date: estimated to be June 1, 2004
Marketing of units begins: February 2005
Construction completion: 22 months from the date of the Notice to Proceed
Occupancy: May 2005

The Parties agree that time is of the essence. Therefore, delay of any of these events beyond 90 days without the written approval of the Agency is a condition that may lead the Agency to suspend or terminate this Loan Agreement and the other Loan Documents. The Sponsor/Developer shall notify the Agency in writing within one week of any event affecting the Project's financing or may have the effect of delaying the Project's completion and/or timetable beyond 90 days.

12. Termination: In the event of termination of the Loan Agreement and the other Loan Documents due to an Event of Default of the Sponsor that has not been cured, the Agency, at its sole discretion, may require part or all of the Home Express funds advanced to be returned to the Agency within 90 days of the date of termination; however, the Sponsor agrees that even in the event of such termination, all affordable

restrictions created hereunder shall continue in full force and effect for their original 20 year term.

13. Use of Funds and Method of Payment: Funds provided for under this Loan Agreement will be used only for the purposes described in this Section.

A. Allowable uses of the funds are the following:

Acquisition:	\$2,000,000
Construction:	\$1,901,000
Professional Fees:	\$0
Financing and Related Costs:	\$0
Housing Affordability Service fee (HAS)	\$99,000
Contingency:	\$0
Other:	\$0

B. The Agency may establish a dedicated, interest-bearing Project escrow account for any or all Home Express loan proceeds (the "Escrow Account") and disburse all payments from this account. All interest that accrues on the funds deposited in the Escrow Account must remain in that account and must be returned to the Agency.

C. The following items must be submitted to the Agency to begin drawdowns:

- 1) Original, executed Note;
- 2) Copy of the executed Mortgage, along with proof of recording from the county clerk's office;
- 3) Copy of this executed Loan Agreement, along with proof of recording from the county clerk's office;
- 4) Proof from the Sponsor of all required insurances as outlined in this Loan Agreement, the Mortgage and the Note and as further required by the Agency and/or the Department; and
- 5) Where applicable, completed requisition AIA G702/G703 forms, with continuation sheets, with the architect's signature submitted to date.

D. Approved draws on Home Express loan proceeds under this Loan Agreement are to be paid by the Agency within ten (10) business days of the Agency's receipt of each requisition and shall be paid in accordance with the following process, or as may be otherwise authorized, in writing, by the Agency:

- 1) The first draw will be to pay a mandatory Housing Affordability Service fee.
- 2) For each remaining draw, other than the draw requested at closing, the Agency shall request a construction rundown search from the title company retained on behalf of the Project. Upon notice from the title company that there are no

encumbrances against the title except as may be expressly approved by the Agency and review of such rundown by the Agency, checks shall be issued to the vendor as authorized by the Sponsor, unless otherwise agreed upon, in writing, by the Agency and the Sponsor.

- 3) For construction cost draws involving hard costs, draws are to be paid on a percentage of completion basis in accordance with the attached Drawdown Schedule. For each draw involving hard construction costs, the sum paid shall be the Agency-approved Home Express draw amount less an amount equal to 10% of the total Agency-approved Home Express draw amount, which shall be collected as retainage until 50% of the construction of the Project is completed, at which time the collection of retainage may be frozen at the discretion of the Agency.
- 4) The final disbursement (the retainage) shall be made only after the Sponsor has submitted to the Agency the final development cost audit and a certificate of occupancy for all of the units constructed/rehabilitated on the Mortgaged Premises.

14. Insurance: The Sponsor covenants and agrees to cause the buildings on the premises and any improvements thereto and the fixtures and articles on the premises and any improvements thereto and the fixtures and articles of personal property covered by the Mortgage to be insured against loss by fire and by such other hazards as may be required by the Agency or its successors and/or assigns (hereinafter, collectively, the "Agency") for the benefit of the Agency, as approved by the Agency. Such insurance shall be written by such companies, in such amounts and in forms as are satisfactory to the Agency. The Sponsor will assign and deliver the certificates of insurance to the Agency and such certificates will provide that the Agency shall be the loss payee subject only to the rights of the superior mortgagees. Such policies shall provide that the insurer may not cancel the policy and will not refuse to renew the policy except after thirty (30) days written notice to the Agency. If the Agency shall not receive evidence satisfactory to it of the existence of effective insurance coverage as required by the Agency, the Agency may (but shall not be required to) obtain such coverage, and the Sponsor will reimburse the Agency, on demand for any premiums paid for insurance procured by the Agency, and until so reimbursed, the amount of such premiums shall be added to the principal of the Note and bear interest at a rate equal to the yield rate on a 30-year U.S. Treasury bond at the time of making of such payment(s) by the Agency.

In the event of substantial damage to the Project by the occurrence of an insured casualty or the taking of a substantial portion of the Project by condemnation, if, in the sole judgment of the Agency (which judgment shall be conclusive), (a) the Project can be replaced or restored in whole or in part to a condition at least comparable to that of the Project immediately prior to the insured casualty or taking, and (b) the Project as so replaced will produce sufficient income to meet the then obligations of the Sponsor under the Mortgage and the Note, the proceeds of insurance or condemnation, if sufficient, to the extent necessary for the purpose, shall be made available to the Sponsor upon satisfaction by the Sponsor of the conditions precedent to disbursements, for such replacement or restoration. To the extent the Project is not replaced or restored, such proceeds shall be applied to the indebtedness secured hereby after payment of fees and charges due and payable (as defined and provided for in the Mortgage). Nothing in this Section shall affect the lien of the Mortgage or the liability of the Sponsor for payment of the entire balance of the

Mortgage indebtedness.

15. Liens: The Sponsor covenants, warrants and agrees to maintain its right, title and interest in the Mortgaged Premises (including the Project and Land) and all items enumerated in Section 5 of the Mortgage free and clear of all liens and security interests except the liens of the Mortgage, and the liens of other mortgagees described in Section 3 of the Mortgage and those exceptions identified and set forth in a certain title policy issued by Chicago Title Insurance Corporation numbered 2403-80021 and dated May 26, 2004, as approved by the Agency. The Agency shall be furnished with this current standard ALTA form with extended coverage, insuring that the Mortgage is a valid second lien on the Premises. Prior to any disbursement under this Mortgage, the Sponsor shall provide evidence satisfactory to the Agency of the recording of the Mortgage. Except with the written consent of the Agency, the Sponsor will not install any item of tangible personal property as a part of the fixtures or furnishings of the Project that is subject to a purchase money lien or security interest.

16. Encumbrances and Sale of Project:

a. The Sponsor covenants, warrants and agrees not to sell, lease or otherwise encumber the Mortgaged Premises, or any part thereof, or the rents or revenues thereof without the prior written consent of the Agency, except by leasing to eligible residential tenants.

b. The Mortgaged Premises may have certain "permitted encumbrances," which means (i) utility, access and other easements and rights of way, restrictions and exceptions that do not, individually or in the aggregate, materially impair the utility or value of the property affected thereby for the purposes for which it is intended; (ii) liens for taxes at the time not delinquent, (iii) liens for taxes which, if delinquent, are being contested in good faith and for which the Sponsor has provided security satisfactory to the Agency, (iv) liens superior to or subordinate to the lien of the Mortgage securing any monies loaned in connection with the Project or other monies loaned to the Sponsor by a department, agency, public corporation or commission of the United States, the State of New Jersey or a political subdivision of the State of New Jersey, and (V) the Tax Credit Extended Use Agreement.

c. The Sponsor acknowledges and agrees that failure by the Sponsor to comply with Loan Agreement stipulations, standards, or conditions may give the Agency just cause to suspend this Loan Agreement and withhold further payments, prohibit additional obligations of Project funds pending corrective action, disallow all or part of the cost associated with the noncompliance, terminate this Loan Agreement or seek any other remedies that may be legally available.

17. Inspection: The Sponsor covenants, warrants and agrees to permit the Agency, its agents or representatives, to inspect the Mortgaged Premises at any and all reasonable times with or without notice.

18. Statutory Powers and Restrictions: The Home Express Loan provided for herein shall be subject to statutory and regulatory restrictions contained in the Act and accompanying regulations and guidelines, and in connection therewith the Agency shall have the powers set forth in the Act as have been delegated by the Department, and the Sponsor hereby consents to such restrictions and powers and agrees to be bound thereby. Such powers and restrictions shall be in addition to and not in limitation of the rights of the

Agency expressly set forth in the Loan Documents and in the statutes and regulations of the Agency.

19. Accounting in Event of Default: Upon the occurrence of an Event of Default and within five (5) business days of demand therefor by the Agency, the Sponsor will furnish to the Agency in writing a statement of the principal amount remaining due on the Note together with a statement of any defenses which may exist as to any liability of the Sponsor under the Loan Documents.

20. Personal Liability: The Agency agrees, on behalf of itself and any future holder of this Loan Agreement, the Note and the Mortgage, that the liability of the Sponsor, any general or limited partner or shareholder of the Sponsor and their respective heirs, representatives, successors and assigns, for the payment and performance of its obligations hereunder and under the Note and the Mortgage, shall be limited to the collateral pledged under the Mortgage and that the Agency shall have no right to seek a personal judgment against the Sponsor, any general or limited partner or shareholder of the Sponsor or their respective heirs, representatives, successors and assigns, individually, but shall look only to such collateral for the payment and performance of such obligations; provided, however, that the Agency shall retain the right to exercise any and all remedies granted to it under the Loan Documents. The foregoing limitation of liability shall not apply to any party to the extent such party has committed fraudulent, criminal or other unlawful acts.

21. Assignment by the Agency: The Sponsor hereby consents to any assignment of the Home Express Loan and the Loan Documents by the Agency. The Agency shall give the Sponsor notice (within 30 days after any assignment) of any assignment.

22. Defaults: Each of the following shall be an Event of Default:

- (a) failure of the Sponsor to pay when due any installment of principal or interest on the Home Express Loan or any other payment required by the Sponsor to the Agency or any other person pursuant to the terms of the Loan Documents;
- (b) commission by the Sponsor of any act prohibited by the terms of these Loan Documents, failure by the Sponsor to perform or observe in timely fashion any action or covenant required by any of the terms of these Loan Documents, or failure by the Sponsor to produce satisfactory evidence of compliance therewith;
- (c) the filing by the Sponsor under any federal or state bankruptcy or insolvency law or other similar law of any petition in bankruptcy or for reorganization or composition with creditors or the making of an assignment for the benefit of creditors;
- (d) the filing against the Sponsor under any federal or state bankruptcy or insolvency law or other similar law of a petition seeking the Sponsor's adjudication as a bankrupt or the appointment of a receiver or other custodian for the benefit of its creditors which shall not be dismissed within thirty (30) days of the filing thereof, or the adjudication of the Sponsor as a bankrupt, or the appointment by court order of a custodian (such as a

receiver, liquidator or trustee) of possession of the Sponsor or any of its property for the benefit of its creditors and such order remains in effect or such possession continues for more than thirty (30) days;

- (e) the occurrence of substantial destruction of the Project by an uninsured casualty;
- (f) any representation in conjunction with the Home Express Loan, these Loan Documents or the Project by or on behalf of the Sponsor that is false or misleading in any material respect or any covenant or warranty of the Sponsor that is breached;
- (g) any breach by the Sponsor of its obligations or any failure to observe its covenants under any superior mortgage or note that results in an event of default thereunder, or the Sponsor's failure to observe the covenants as contained in any deed restriction associated with such superior mortgage or note, if applicable;
- (h) failure to obtain or retain the Agency Financing, or
- (i) failure to obtain or retain Tax Credits.

An event set forth in subsections (b) and (g) of this Section shall not constitute an Event of Default until the prohibited act, failure to perform or observe, or breach shall remain uncured for a period of thirty (30) days after Agency's written notice to Sponsor, specifying such prohibited act, failure or breach and requesting that it be remedied, unless the Agency shall agree in writing to an extension of such time prior to its expiration. If the prohibited act, failure, or breach stated in each notice is correctable but cannot be corrected within the 30 day period, the Agency may consent to an extension of up to 120 days from the delivery of the written notice referred to herein if corrective action is instituted by the Sponsor within the initial 30 day period and diligently pursued. The Agency will, simultaneously with sending to the Sponsor any notices under this Section send a copy of the aforementioned notices to the Sponsor's limited partner. To the extent the Event of Default is curable, a cure tendered in full, pursuant to the terms and conditions of this Loan Agreement and the other Loan Documents, by the Sponsor's limited partner shall be honored by the Agency.

23. Remedies: Upon the occurrence of any Event of Default, the Agency, subject to any superior mortgages(s), may, at its option, take any one or more of the following actions or remedies and no failure to exercise any remedy or take any action enumerated shall constitute a waiver of such right or preclude a subsequent exercise by the Agency of any such remedy:

- (a) declare the entire principal sum of the Home Express Loan, together with all other liabilities of the Sponsor under the Note and the Mortgage, to be immediately due and payable;
- (b) cease making disbursements to the Sponsor;
- (c) apply any reserves held by the Agency or the balance in the accounts for Project

disbursements and revenues, or any combination of these moneys, to the payment of the Sponsor's liabilities hereunder;

- (d) foreclose the lien of the Mortgage on the Mortgaged Premises. In any action to foreclose, the Agency shall be entitled to the appointment of a receiver of the rents and profits of the Project as a matter of right and without notice, with power to collect the rents, uses, and profits of the Project, due and becoming due during the pending of the foreclosure suit, such rents and profits being hereby expressly assigned and pledged as additional security for the payment of the indebtedness secured by the Loan Documents Agreement without regard to the value of the Project or the solvency of any person or persons liable for the payment of the mortgaged indebtedness. The Sponsor, for itself and any subsequent owner, hereby waives any and all defenses to the application for a receiver as set forth above and hereby specifically consents to such appointment without notice, but nothing herein contained is to be construed to deprive the holder of the Mortgage of any other right, remedy or privilege it may now have under the law to have a receiver appointed. The provisions for the appointment of a receiver of the rents and profits and the assignment of such rents and profits, is made an express condition upon which the Home Express Loan hereby secured is made. Upon such foreclosure, the Agency shall have the right to have a receiver appointed for the Project and the rentals from the Project;
- (e) take possession of all or part of the Mortgaged Premises, subject to rights of permitted superior lienholders;
- (f) without judicial process, collect all rents and other revenue including federal and state subsidies as the agent of the Sponsor (which upon the occurrence of any Event of Default the Agency is deemed to have been irrevocably appointed by the Sponsor), and apply them at the Agency's option to the liabilities of the Sponsor under this Loan Agreement;
- (g) take possession of equipment, appliances and other tangible personal property in which a security interest has been granted by the Loan Documents and dispose of the same in any commercially reasonable manner. The Agency shall have the option to dispose of any such equipment and personal property either separately from the Mortgaged Premises or in conjunction with a sale of the Mortgaged Premises, and the Sponsor agrees that either method of disposition shall be commercially reasonable; and/or
- (h) sue the Sponsor for a mandatory injunction or other equitable relief requiring performance by the Sponsor of any of its obligations under the Loan Documents. The Sponsor agrees with the Agency that the Agency's remedy at law for the violation or the nonperformance of the Sponsor's obligations under the Loan Documents is not adequate by reason, among other things, of the Agency's public purpose to provide adequate, safe and sanitary dwelling units for families of low and moderate income.

Notwithstanding the above enumeration of remedies, the Agency shall have available to it any

remedies provided to it by law.

24. Expenses Due to Default: All reasonable expenses (including reasonable attorney's fees, costs and allowances) incurred in connection with an action to foreclose the Mortgage or in exercising any other remedy provided by the Loan Documents, including the curing of any Event of Default, shall be paid by the Sponsor, together with interest at a rate equal to the yield rate on a 30-year U.S. Treasury bond at the time of making of such payment(s) by the Agency. Any such sum or sums and the interest thereon shall be a further lien on the Mortgaged Premises and shall be secured by the Mortgage.

25. Advance Amortization Payments. Because the public purposes of the Agency include maximizing the period during which the residential units in the Project are available to persons of low and moderate income, any advance principal repayment shall not release the Borrower from any obligation incurred under the Note or under any agreement with the Agency that contains obligations that provide that a percentage of the units remain affordable to persons of low and moderate income for at least twenty (20) years, or for a shorter period where authorized. Such obligations shall remain whether or not Borrower has tendered to or deposited with the Agency an amount otherwise sufficient to pay the Mortgage Loan, including interest accrued and payable, in full.

26. Compliance with the Balanced Housing Home Express Program. The Borrower covenants and agrees to comply with the Balanced Housing Home Express Program rules, regulations, and guidelines. If any provision of this Mortgage shall be determined to be inconsistent with the Balanced Housing Home Express Program's rules, regulations and guidelines that have not been waived, the Balanced Housing Home Express Program rules shall govern.

27. Amendments, Notices, Waivers:

a. This Loan Agreement may be amended only by an instrument in writing executed and acknowledged on behalf of the Agency and the Sponsor in such manner that the instrument may be recorded. No waiver by the Agency in any particular instance of any Event of Default or required performance by the Sponsor and no course of conduct of the Parties or failure by the Agency to enforce or insist upon performance of any of the obligations of the Sponsor under this Loan Agreement or the other Loan Documents at any time shall preclude enforcement of any of the terms of this Loan Agreement or the other Loan Documents thereafter.

b. Any provision of this Loan Agreement and the other Loan Documents requiring the consent or approval of the Agency for the taking of any action or the omission of any action requires such consent by the Agency in writing signed by a duly authorized officer of the Agency. Any such consent or approval, unless it expressly states otherwise, is limited to the particular action or omission referred to therein and does not apply to subsequent similar actions or omissions.

c. Notice provided for under this Loan Agreement and the other Loan Documents shall be given in writing signed by a duly authorized officer and any notice required to be given hereunder shall be given by courier, regular mail, or by certified or registered mail, postage prepaid, return receipt requested, at the addresses specified below, or at such other addresses as may be specified in

writing by the Parties hereto:

Sponsor: Whitlock Mills, L.P.
6851 Oak Hall Lane, Suite 100
Columbia, MD 21045

Limited Partner: Boston Capital Corporate Tax Credit Fund
XXI, A Limited Partnership
C/O Boston Capital Partners, Inc.
One Boston Place, 21st Floor
Boston, MA 02108

Sponsor's Attorney: Andrew B. Skopp
Gallagher Evelius & Jones LLP
218 North Charles Street, 4th Floor
Baltimore, Maryland 21201

Agency: New Jersey Housing and Mortgage Finance Agency
637 S. Clinton Avenue
P.O. Box 18550
Trenton, New Jersey 08650-2085
Attention: Director of Finance

28. Severability: The invalidity of any part or provision of this Loan Agreement shall not affect the validity of the remaining portions thereof.

29. Disclaimer of Warranties, Liability, Indemnification:

- a. The Sponsor acknowledges and agrees that (i) the Agency has not heretofore and does not make any warranty or representation, either express or implied as to the value, condition, or fitness for particular purpose or fitness for any use of the Mortgaged Premises or any portion thereof or any other warranty or representation with respect thereto; (ii) in no event shall the Agency or its agents or employees be liable or responsible for any incidental, indirect, special, consequential, or punitive damages in connection with or arising out of this Loan Agreement, the Loan Documents or the development of the Project or the existence, functioning or use of the Project or any items or services provided for in the Mortgage; and (iii) during the term of this Loan Agreement and to the fullest extent permitted by law, the Sponsor shall indemnify and hold the Agency harmless against, and the Sponsor shall pay any and all liability, loss, cost, damage, claims, judgments or expense of any and all kinds or nature and however arising, imposed by law, which the Sponsor and the Agency may sustain, be subject to, or be caused to incur by reason of any claim, suit or action based upon personal injury, death or damage to property, whether real, personal or mixed, or upon or arising out of contracts entered into by the Sponsor, or arising out of the Sponsor's ownership of the Project or out of the

development, or management of the Project.

- b. It is mutually agreed by the Sponsor and the Agency that the Agency and its directors, officers, agents, servants and employees shall not be liable for any action performed under this Loan Agreement or the other Loan Documents, and that the Sponsor shall hold them harmless from any claim or suit of whatever nature.
- c. Any claims asserted against the Agency shall be subject to the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq. (except for N.J.S.A. 59:13-9 thereof) and the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq.

30. Counterparts: This Loan Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

31. Venue: If any legal action should be filed by the Borrower against the Agency in connection with the Home Express Loan, this Loan Agreement, or the other Loan Documents, the venue and forum for such action shall be the Superior Court of New Jersey, Mercer County.

32. Filing: This Agreement shall be duly recorded in the Office of the Clerk for the county in which the Land is located.

33. Equal Opportunity and Non-Discrimination: The Sponsor covenants, warrants and agrees that it will comply with the Agency guidelines with respect to equal opportunity and non-discrimination in its purchase of goods and services for the operation and maintenance of the Project throughout the term of this Loan Agreement.

34. Applicability and Conflict of Terms and Conditions: The terms and conditions of this Loan Agreement are applicable for the entire term of this Loan Agreement (as set forth in Section 10 hereof) unless otherwise set forth in this Loan Agreement. In the event of any conflict or inconsistency between the terms and conditions of any of the Loan Documents and this Agreement, the terms and conditions of this Loan Agreement shall prevail. Notwithstanding the foregoing, the Sponsor agrees that the Agency may render a decision concerning the intent and/or applicability of any term or condition of the Loan Documents and unless such decision is found to be arbitrary or capricious by a court of competent jurisdiction, the Agency decision shall be final.

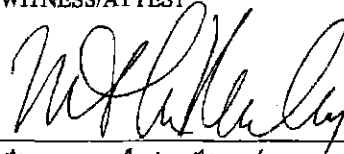
35. Miscellaneous: Unless the context clearly requires otherwise, as used in this Loan Agreement and the other Loan Documents, words of the masculine, feminine or neuter gender shall be construed to include any other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. The Loan Documents and all the terms and provisions thereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The titles and headings of the sections of this Loan Agreement and the other Loan Documents have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing the Loan Documents or any provisions thereof or in ascertaining intent, if any question of intent shall arise.

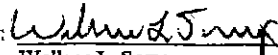
THIS SPACE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, this Loan Agreement is duly executed by the Sponsor and Agency on the date first set forth above and, by signing below, the Sponsor acknowledges that it has received a true copy of this Loan Agreement, without charge.

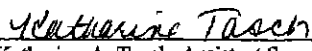
(SEAL)
WITNESS/ATTEST


Margaret A. Mankey

BORROWER:
WHITLOCK MILLS, L.P.
By: HTA WHITLOCK, LLC, its General Partner

By: 
Wallace L. Scruggs
Managing Member


(SEAL)
ATTEST


Katharine A. Tasch, Assistant Secretary

NEW JERSEY HOUSING AND
MORTGAGE FINANCE AGENCY

By: 
Richard L. Evert
Chief of Regulatory Affairs

This Loan Agreement has been reviewed and
approved as to form.
Peter C. Harvey
Attorney General of the State of New Jersey

By: 
Kimberly A. Sked
Deputy Attorney General

STATE OF NEW JERSEY, COUNTY OF MERCER SS:

I CERTIFY that on May 26, 2004, Katharine A. Tasch personally came before me,
(insert notary's name), and acknowledged under oath, to my satisfaction, that (a) she
is the Assistant Secretary of **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**, the
Agency named in this document; (b) she is the attesting witness to the signing of this document by the
proper Agency officer, who is Richard L. Evert, Chief of Regulatory Affairs of the Agency; (c) this
document was signed and delivered by the Agency as its voluntary act duly authorized by a proper
resolution of its Board of Directors; and (d) she signed this proof to attest to the truth of these facts.

Katharine Tasch
Katharine A. Tasch, Assistant Secretary

SWORN TO AND SUBSCRIBED
before me, the date aforesaid.

Beverly A. Harding PATRICIA JACOBY
Notary Public of New Jersey
My commission expires: _____

PATRICIA JACOBY
A Notary Public of New Jersey
My Commission Expires May 1, 2005

STATE OF NEW JERSEY, COUNTY OF MERCER SS:

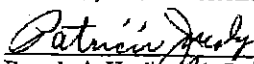
I CERTIFY that on May 26, 2004, Wallace L. Scruggs personally came before me, Beverly Harding, a Notary Public of the State of New Jersey, and acknowledged under oath, to my satisfaction, that (a) he is the Managing Member of the limited liability company; (b) that the execution, as well as the making of this Instrument has been duly authorized by a resolution of the limited liability company; (c) that this Instrument was signed and deliver by Wallace L. Scruggs as the voluntary act and deed of the limited liability company as well as the limited partnership, in my presence; (d) that he signed this Instrument in his official capacity; and (e) he signed this proof to attest to the truth of these facts.



Wallace L. Scruggs

Managing Member, HTA Whitlock LLC, General Partner
of Whitlock Mills, L.P.

SWORN TO AND SUBSCRIBED
before me, the date aforesaid.



~~Beverly A. Harding~~ PATRICIA JACOBY

Notary Public of New Jersey

My commission expires: _____

PATRICIA JACOBY
A Notary Public of New Jersey
My Commission Expires May 1, 2005

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: FIMYENIA/WHITLOCK/NEJ #140300551

Commitment No: 2403-80021

4. The land referred to in this Commitment is described as follows:

ALL THAT CERTAIN TRACT, PARCEL AND LOT OF LAND LYING AND BEING SITUATE IN THE CITY OF JERSEY CITY, COUNTY OF HUDSON, STATE OF NEW JERSEY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FORMED BY THE INTERSECTION OF FORMER CENTERLINE OF MANNING AVENUE, WITH THE NORTHEASTERLY OF LAFAYETTE STREET; THENCE;

1. SOUTH 31°09'00" EAST ALONG THE NORTHWESTERLY LINE OF LAFAYETTE STREET, A DISTANCE OF 30.04 FEET TO A POINT; THENCE;
2. SOUTH 61°51'00" WEST A DISTANCE OF 30.04 FEET, TO A POINT IN THE FORMER CENTERLINE OF LAFAYETTE STREET (VACATED); THENCE;
3. SOUTH 31°09'00" EAST, ALONG THE FORMER CENTERLINE OF LAFAYETTE STREET A DISTANCE OF 100.14 FEET, TO A POINT; THENCE;
4. SOUTH 61°51'00" WEST, A DISTANCE OF 30.04 FEET, TO A POINT IN THE FORMER SOUTHWESTERLY LINE OF LAFAYETTE STREET; THENCE;
5. NORTH 31°09'00" WEST, ALONG THE FORMER SOUTHWESTERLY LINE OF LAFAYETTE STREET A DISTANCE OF 120.16 FEET, TO A POINT; THENCE;
6. SOUTH 61°51'00" WEST, A DISTANCE OF 164.85 FEET, ALONG THE FORMER SOUTHEASTERLY LINE OF MANNING AVENUE; THENCE;
7. NORTH 30°53'45" WEST A DISTANCE OF 10.02 FEET, TO A POINT IN THE FORMER CENTERLINE OF MANNING AVENUE; THENCE;
8. NORTH 61°51'00" EAST ALONG THE FORMER CENTERLINE OF MANNING AVENUE, A DISTANCE OF 13.30 FEET, TO A POINT; THENCE;
9. NORTH 30°53'45" WEST A DISTANCE OF 196.84 FEET, TO A POINT OF CURVE; THENCE;
10. IN A GENERAL NORTHERLY DIRECTION, CURVING TO THE RIGHT ON A RADIUS OF 409.05 FEET, AN ARC DISTANCE OF 66.27 FEET TO A POINT OF COMPOUND CURVE; THENCE
11. IN A GENERAL NORTHERLY DIRECTION, CURVING TO THE RIGHT ON A RADIUS OF 168.42 FEET, AN ARC DISTANCE OF 109.80 FEET TO A POINT; THENCE
12. NORTH 62°57'40" WEST, 73.25 FEET TO A POINT; THENCE

(Continued on Next Page)

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: PDMIENIA/WHITLOCK/NEU #140300551

Commitment No: 2403-80021

13. SOUTH 58°04'00" WEST, 32.05 FEET TO A POINT; THENCE
14. NORTH 31°09'00" WEST, 125.03 FEET TO A POINT IN THE SOUTHEASTERLY LINE OF M.B. CONRAIL C.R.R. CO. OF N.J., LAFAYETTE BRANCH MAIN STEM; THENCE
15. NORTH 59°02'00" EAST, ALONG SAME, 16.73 FEET TO A POINT; THENCE
16. NORTH 63°02'00" EAST, ALONG SAME, 83.20 FEET TO A POINT; THENCE
17. NORTH 67°17'16" EAST, ALONG SAME, 98.47 FEET TO A POINT; THENCE
18. NORTH 70°02'00" EAST, ALONG SAME, 58.31 FEET TO A POINT; THENCE
19. NORTH 75°02'00" EAST, ALONG SAME, 29.69 FEET TO A POINT; THENCE
20. NORTH 76°02'00" EAST, ALONG SAME, 48.85 FEET TO A POINT; THENCE
21. NORTH 80°17'00" EAST, ALONG SAME, 48.52 FEET TO A POINT; THENCE
22. NORTH 82°47'00" EAST, ALONG SAME, 37.15 FEET TO A POINT; THENCE
23. SOUTH 86°43'00" EAST, ALONG THE SOUTHWESTERLY LINE OF M.B. CONRAIL C.R.R. CO. OF N.J., LAFAYETTE BRANCH MAIN STEM, 86.44 FEET TO A POINT; THENCE
24. SOUTH 80°58'00" EAST, ALONG SAME, 67.59 FEET TO A POINT; THENCE
25. SOUTH 75°43'00" EAST, ALONG SAME, 57.63 FEET TO A POINT; THENCE
26. SOUTH 70°08'00" EAST, ALONG SAME, 249.80 FEET TO A POINT; THENCE
27. SOUTH 14°29'00" WEST, 75.67 FEET TO A POINT; THENCE
28. SOUTH 28°09'00" EAST, 111.44 FEET TO A POINT IN THE TERMINUS OF MAPLE STREET; THENCE
29. SOUTH 61°51'00" WEST, ALONG THE TERMINUS OF MAPLE STREET (60 FEET WIDE) AND ALONG THE FORMER CENTERLINE OF MANNING AVENUE, NOW BEING THE NORTHWESTERLY LINE OF THE (FORMERLY VACATED) SOUTHERLY HALF OF MANNING AVENUE (30 FEET WIDE) A DISTANCE OF 182.47 FEET TO A POINT; THENCE
30. NORTH 28°09'00" WEST, 69.88 FEET TO A POINT; THENCE
31. SOUTH 61°51'00" WEST, 45.75 FEET TO A POINT; THENCE
32. NORTH 30°22'20" WEST, 17.72 FEET TO A POINT; THENCE
33. SOUTH 59°37'40" WEST, 74.60 FEET TO A POINT; THENCE

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: PDWIENTA/WHITLOCK/NEU #140300551

Commitment No: 2403-80021

34. NORTH 30°22'20" WEST, 130.57 FEET TO A POINT; THENCE

35. NORTH 59°37'40" EAST, 46.00 FEET TO A POINT; THENCE

36. NORTH 30°22'20" WEST, 90.52 FEET TO A POINT; THENCE

37. NORTH 59°37'40" EAST, 74.32 FEET TO A POINT; THENCE

38. SOUTH 30°22'20" EAST, 240.53 FEET TO THE END OF THE ABOVE 30TH COURSE ABOVE GIVEN; THENCE

39. SOUTH 28°09'00" EAST, ALONG SAID 30TH COURSE 69.88 FEET TO A POINT IN THE FORMER CENTERLINE OF MANNING AVENUE, NOW BEING THE NORTHWESTERLY LINE OF THE (FORMERLY VACATED) SOUTHERLY HALF OF MANNING AVENUE; THENCE

40. SOUTH 61°51'00" WEST, ALONG SAME, 276.06 FEET TO THE PLACE OF BEGINNING.

THE PARCEL OF LAND AND PREMISES WITHIN THE ABOVE DESCRIBED COURSES 26 THROUGH 33 INCLUSIVE IS KNOWN AS LOT 17, BLOCK 2057 AND IS NOT INCLUDED IN THE ABOVE DESCRIBED LANDS.

BEING SUBJECT TO A NONEXCLUSIVE INGRESS AND EGRESS EASEMENT BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF LAFAYETTE STREET (60 FEET WIDE) WITH THE SOUTHEASTERLY LINE OF FORMER MANNING AVENUE (60 FEET WIDE) (VACATED 7/19/1955); THENCE

1. NORTH 31°09'00" WEST, ALONG THE CENTER LINE OF LAFAYETTE STREET, 74.08 FEET TO A POINT; THENCE

2. NORTH 61°51'00" EAST, 209.12 FEET; THENCE

3. NORTH 30°22'20" WEST, 41.50 FEET TO A POINT IN THE LINE OF TAX LOT 17, BLOCK 2057; THENCE

4. NORTH 59°37'40" EAST, ALONG SAME, 54.50 FEET TO A POINT; THENCE

5. SOUTH 30°22'20" EAST, 45.70 FEET TO A POINT; THENCE

6. NORTH 61°51'00" EAST, 40.00 FEET TO A POINT; THENCE

7. SOUTH 28°09'00" EAST, 41.92 FEET TO A POINT IN THE FORMER CENTER LINE OF MANNING AVENUE (VACATED 7/19/1955); THENCE

8. SOUTH 61°51'00" WEST, ALONG SAME, 95.00 FEET TO A POINT; THENCE

9. NORTH 28°09'00" WEST, 18.00 FEET TO A POINT; THENCE

Page A2 - 3

MMJC 12/14

KAT

JBR 05/24/04 11:43:43

BK:11556 PG:00022

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: FIMIENTA/WHITLOCK/NEU #140300551

Commitment No: 2403-80021

10. SOUTH 61°51'00" WEST, 158.37 FEET TO A POINT OF CURVE; THENCE

11. IN A GENERAL SOUTHEASTERLY DIRECTION, CURVING TO THE LEFT ON A RADIUS OF 18.00 FEET, AN ARC DISTANCE OF 29.22 FEET TO A POINT IN THE EXTENDED NORTHEASTERLY LINE OF LAFAYETTE STREET; THENCE

12. SOUTH 31°09'00" EAST, ALONG SAME, 30.04 FEET TO A POINT IN THE FORMER SOUTHEASTERLY LINE OF VACATED MANNING AVENUE; THENCE

13. SOUTH 61°51'00" WEST, ALONG SAME, 30.04 FEET TO THE PLACE OF BEGINNING.

THE FOREGOING DESCRIPTION BEING IN ACCORDANCE WITH A SURVEY PREPARED BY VOLLMER ASSOCIATES, LLP, DATED JUNE 12, 2001 REVISED TO MAY 18, 2004.

BEING ALSO KNOWN AS (REPORTED FOR INFORMATIONAL PURPOSES ONLY):

LOT 18, BLOCK 2057, ON THE OFFICIAL TAX MAP OF THE CITY OF JERSEY CITY.

Record and Return to:
Beverly Harding, Paralegal
New Jersey Housing and Mortgage
Finance Agency
637 South Clinton Avenue
P.O. Box 18550
Trenton, New Jersey 08650-2085

001018339
RECEIVED
AND
RECORDED
REL

06/29/2007 08:50A
WILLIE L. FLOOD
HUDSON COUNTY
REGISTER OF DEEDS
Receipt No. 395971

Whitlock Mills
NJHMFA #1388

AMENDED HOME EXPRESS LOAN AGREEMENT AND DEED RESTRICTION

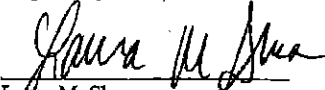
between

WHITLOCK MILLS, L.P.

and

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

Prepared by:


Laura M. Shea
Deputy Attorney General

BK:00401 PG:00001

1st 800/2
CHICAGO TITLE INSURANCE COMPANY
TWO UNIVERSITY PLAZA
PLAZA 14
HACKENSACK, NEW JERSEY 07601

13 JP 160 US

THIS AMENDED HOME EXPRESS LOAN AGREEMENT AND DEED RESTRICTION (the "Amended Loan Agreement") entered into on the 2 day of June 2007 amends and restates that certain Loan Agreement dated May 26, 2004 by and between the NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY (the "Agency") and WHITLOCK MILLS, L.P., a limited partnership, having its principal place of business at 6851 Oak Hall Lane, Suite 100, Columbia, MD 21045, (hereinafter the "Sponsor"; the Agency and the Sponsor are, collectively, the "Parties").

WITNESSETH:

WHEREAS, The original Loan Agreement is being amended to reflect certain changes to Section 5 "Definitions", to Section 9 "Affordability Controls" and certain other changes to the time line of key dates in Section 11. Except as specifically modified herein, the Loan Agreement by and between the Parties dated May 26, 2004 and recorded by the Hudson County Register in Deed Book 11556, Page 1, shall remain in full force and effect.

The remaining WHEREAS clauses shall remain unchanged.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained the parties do hereby covenant and agree each with the other as follows:

1. **Applicable Law:** This Section shall remain unchanged.

2. **Superiority:** Should any of the terms and conditions of this Amended Loan Agreement conflict with those of the Loan Agreement, Mortgage and/or the Note, the provisions of this Amended Loan Agreement shall prevail.

3. **Amendments:** The parties agree to make no changes, amendments and/or to seek suspension or termination of this Amended Loan Agreement without the prior written approval of the Agency.

4. **Proceeds:** This Section shall remain unchanged.

5. **Definitions:** Capitalized terms used herein shall have the following meanings:

"Act" means the New Jersey Fair Housing Act of 1985 (N.J.S.A. 52:27D-301 et seq.), as amended from time to time, and the regulations promulgated thereunder.

"Agency" means the New Jersey Housing and Mortgage Finance Agency or its authorized officer or representative.

"Agency Financing" means the construction and/or permanent mortgage loan(s) authorized by the Agency Board of Trustees for the Project.

"Architect" means the Architect of Record as designated by the Construction Contract.

BK=00601 PG=00002

"Borrower" means Whitlock Mills, L.P., a Maryland limited partnership.

"Code" means the Internal Revenue Service Code of 1986, as it may, from time to time, be amended.

"Commissioner" means the Commissioner of the Department.

"Construction Completion Date" means the date specified for completion of all stages of the work under the Construction Contract as modified by the Takeover Agreement.

"Construction Contract" means the contract between the Borrower and the Contractor for the construction /rehabilitation of the Project, as amended by that certain Takeover Agreement between the Borrower, Arch Insurance Company and Arch Reinsurance Company.

"Construction Loan" means the construction loan made to the Borrower by the Lender to finance a portion of the cost of the acquisition and construction/rehabilitation of the Project as evidenced by the Note and secured by the Mortgage.

"Construction Period" means the time period prior to the issuance of a Certificate of Occupancy for all of the units constructed on the premises.

"Contractor" means Constructamax, Inc., and or any alternate entity that may be authorized by the Agency to complete the construction of the Project.

"Day" means calendar day unless otherwise indicated.

"Event of Default" means any of the events set forth in Section 22 of this Amended Loan Agreement.

"Land" means the real property of the Project, described in Schedule "A" attached hereto.

"Loan Documents" means this Amended Loan Agreement, the Mortgage, and the Note.

"Mortgage" means the Home Express Mortgage and Security Agreement, which is incorporated by reference herein, that secures the Home Express Loan and the Home Express Note.

"Mortgaged Premises" means the Project and the Land that secure the Home Express Loan and Note.

"Note" means the interest-bearing, conditional, non-recourse promissory note, which is incorporated by reference herein, that contains the promise of the Borrower to pay the sum of money stated therein at the times stated therein and evidences the obligation of the Borrower to repay the Home Express Loan.

"Payment and Performance Bonds" mean the bond or bonds securing the payment of the Contractor's obligations to subcontractors and workers relating to the construction of the Project and the performance of the Work pursuant to this Agreement and the Construction Contract.

"Plans and Specifications" means the plans and specifications for the Project submitted by the Architect.

"Project" means the real property as more specifically described in Schedule "A" attached hereto, and all improvements constructed thereon and personal property and fixtures located thereon pursuant to the Construction Contract.

"Specifications" means the Project Specifications and all additions hereafter issued by the Architect as provided in the Loan Documents, together with such other addenda as may be agreed upon by the parties.

"Subcontractor" means those who directly contract with the Contractor to perform any part of the Work (as hereinafter defined), including those who furnish substantial on-site labor, or substantial on-site labor and materials, but shall not include anyone furnishing materials without furnishing on-site labor.

"Takeover Agreement" means that certain Takeover Agreement between the Borrower, Arch Insurance Company and Arch Reinsurance Company dated February 13, 2007.

"Title Company" means the firm that provides title insurance to the Agency for the Home Express Program.

6. **The Act/Rules:** This Section shall remain unchanged.

7. **Federal Low Income Housing Tax Credits:** This Section shall remain unchanged.

8. **Agency Financing:** This Section shall remain unchanged.

9. **Affordable Units:** The first paragraph of Section 9 and the table initially found at page 5 of the Loan Agreement are deleted and replaced with the following:

The Sponsor will construct/rehabilitate 330 units, of which the Sponsor agrees to rent 196 of the units at the Project to tenants whose income does not exceed sixty percent (60%) of the area's median income adjusted for family size and 2 of the units of the Project to tenants whose income does not exceed fifty percent (50%) of the area's median income adjusted for family size, as median income is defined by the United States Department of Housing and Urban Development, from time to time.

The Utility chart found at page 6 of the Loan Agreement shall remain unchanged.

10. **Affordability Period:** This Section shall remain unchanged.

EK:00601 PG:00004

11. Timetable: The amended timetable for this Project is as follows:

Financing closing date(s): May 26, 2004
Construction start date: June 14, 2004
Marketing of units begins: June 2007
Construction completion: October 13, 2007
Occupancy: July 2007

The remainder of this Section shall remain unchanged.

- 12. **Termination:** This Section shall remain unchanged.
- 13. **Use of Funds and Method of Payment:** This Section shall remain unchanged.
- 14. **Insurance:** This Section shall remain unchanged.
- 15. **Liens:** This Section shall remain unchanged.
- 16. **Encumbrances and Sale of Project:** This Section shall remain unchanged.
- 17. **Inspection:** This Section shall remain unchanged.
- 18. **Statutory Powers and Restrictions:** This Section shall remain unchanged.
- 19. **Accounting in Event of Default:** This Section shall remain unchanged.
- 20. **Personal Liability:** This Section shall remain unchanged.
- 21. **Assignment by the Agency:** This Section shall remain unchanged.
- 22. **Defaults:** This Section shall remain unchanged.
- 23. **Remedies:** This Section shall remain unchanged.
- 24. **Expenses Due to Default:** This Section shall remain unchanged.
- 25. **Advance Amortization Payments:** This Section shall remain unchanged.
- 26. **Compliance with the Balanced Housing Home Express Program.** This Section shall remain

unchanged.

27. Amendments, Notices, Waivers: This Section shall remain unchanged.

28. Severability: This Section shall remain unchanged.

29. Disclaimer of Warranties, Liability, Indemnification: This Section shall remain unchanged.

30. Counterparts: This Section shall remain unchanged.

31. Venue: This Section shall remain unchanged.

32. Filing: This Section shall remain unchanged.

33. Equal Opportunity and Non-Discrimination: This Section shall remain unchanged.

34. Applicability and Conflict of Terms and Conditions: This Section shall remain unchanged.

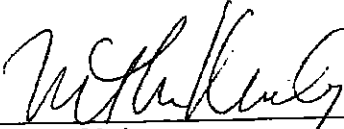
35. Miscellaneous: This Section shall remain unchanged.

THIS SPACE INTENTIONALLY LEFT BLANK

EK:00601 PG:00006

IN WITNESS WHEREOF, this Amended Loan Agreement is duly executed by the Sponsor and Agency on the date first set forth above and, by signing below, the Sponsor acknowledges that it has received a true copy of this Amended Loan Agreement, without charge.

WITNESS/ATTEST


Margaret Manley

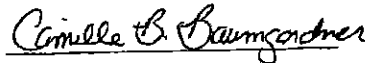
BORROWER:
WHITLOCK MILLS, L.P.
By: HTA WHITLOCK, LLC, its General Partner

By: 
Wallace L. Scruggs, Managing Member

STATE OF MARYLAND)
CITY/COUNTY OF Baltimore) ss:

On this 6th day of June, 2007, before me, a Notary Public in and for the jurisdiction aforesaid, personally appeared Wallace L. Scruggs, who acknowledged himself to be the Managing Member of HTA Whitlock, LLC, the General Partner of Whitlock Mills, L.P., a limited partnership, and that he, being authorized to do so, executed the foregoing and annexed instrument as the Managing Member of the General Partner and on behalf of Whitlock Mills, L.P., one of the parties to the foregoing and annexed instrument, as its free act and deed for the uses and purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Notary Public
My commission expires: Jan. 1, 2010

CAMILLE B. BAUMGARDNER
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires January 1, 2010

[Notarial Seal]

SIGNATURES CONTINUED ON FOLLOWING PAGE

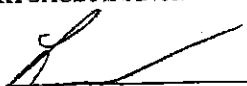
BK:00601 PG:00007

SIGNATURES CONTINUED FROM PRECEEDING PAGE

ATTEST


Darryl D. Applegate
Assistant Secretary

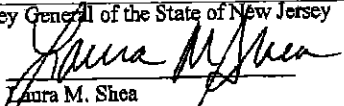
NEW JERSEY HOUSING AND
MORTGAGE FINANCE AGENCY

By: 
Leslie S. Lefkowitz
Chief of Regulatory Affairs

This Amended Loan Agreement has been reviewed and
approved as to form.

Stuart Rabner

Attorney General of the State of New Jersey

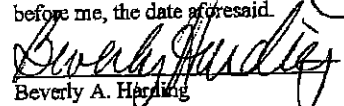
By: 
Laura M. Shea
Deputy Attorney General

STATE OF NEW JERSEY, COUNTY OF MERCER SS:

I CERTIFY that on June 12, 2007, Darryl D. Applegate personally came before me, Beverly Harding, a Notary Public of New Jersey, and acknowledged under oath, to my satisfaction, that (a) he is the Assistant Secretary of **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**, the Agency named in this document; (b) he is the attesting witness to the signing of this document by the proper Agency officer, who is Leslie S. Lefkowitz, Chief of Regulatory Affairs of the Agency; (c) this document was signed and delivered by the Agency as its voluntary act duly authorized by a proper resolution of its Board of Directors; and (d) he signed this proof to attest to the truth of these facts.


Darryl D. Applegate, Assistant Secretary

SWORN TO AND SUBSCRIBED
before me, the date aforesaid.


Beverly A. Harding
Notary Public of New Jersey
My commission expires: March 27, 2009

BK:00601 PG:00008

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (contd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: WHITLOCK MILLS-HUD/NEU #140700019

Commitment No: 2007-60012

10. SOUTH 61°51'00" WEST, 158.37 FEET TO A POINT OF CURVE; THENCE

11. IN A GENERAL SOUTHEASTERLY DIRECTION, CURVING TO THE LEFT ON A RADIUS OF 18.00 FEET, AN ARC DISTANCE OF 29.22 FEET TO A POINT IN THE EXTENDED NORTHEASTERLY LINE OF LAFAYETTE STREET; THENCE

12. SOUTH 31°09'00"EAST, ALONG SAME, 30.04 FEET TO A POINT IN THE FORMER SOUTHEASTERLY LINE OF VACATED MANNING AVENUE; THENCE

13. SOUTH 61°51'00" WEST, ALONG SAME, 30.04 FEET TO THE PLACE OF BEGINNING.

THE FOREGOING DESCRIPTION BEING IN ACCORDANCE WITH A SURVEY PREPARED BY VOLLMER ASSOCIATES, LLP, DATED JUNE 12, 2003 REVISED TO MAY 18, 2004.

BEING ALSO KNOWN AS (REPORTED FOR INFORMATIONAL PURPOSES ONLY):

LOT 28, BLOCK 2057, ON THE OFFICIAL TAX MAP OF THE CITY OF JERSEY CITY, COUNTY OF HUDSON, STATE OF NEW JERSEY.

BK:00601 PG:00009

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: WHITLOCK MILLS-HUD/NSU #140700019

Commitment No: 2007-00012

4. The land referred to in this Commitment is described as follows:

ALL THAT CERTAIN TRACT, PARCEL AND LOT OF LAND LYING AND BEING SITUATE IN THE CITY OF JERSEY CITY, COUNTY OF HUDSON, STATE OF NEW JERSEY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FORMED BY THE INTERSECTION OF FORMER CENTERLINE OF MANNING AVENUE, WITH THE NORTHEASTERLY OF LAFAYETTE STREET; THENCE;

1. SOUTH 31°09'00" EAST ALONG THE NORTHWESTERLY LINE OF LAFAYETTE STREET, A DISTANCE OF 30.04 FEET TO A POINT; THENCE;
2. SOUTH 61°51'00" WEST A DISTANCE OF 30.04 FEET, TO A POINT IN THE FORMER CENTERLINE OF LAFAYETTE STREET (VACATED); THENCE;
3. SOUTH 31°09'00" EAST, ALONG THE FORMER CENTERLINE OF LAFAYETTE STREET A DISTANCE OF 100.14 FEET, TO A POINT; THENCE;
4. SOUTH 61°51'00" WEST, A DISTANCE OF 30.04 FEET, TO A POINT IN THE FORMER SOUTHWESTERLY LINE OF LAFAYETTE STREET; THENCE;
5. NORTH 31°09'00" WEST, ALONG THE FORMER SOUTHWESTERLY LINE OF LAFAYETTE STREET A DISTANCE OF 120.16 FEET, TO A POINT; THENCE;
6. SOUTH 61°51'00" WEST, A DISTANCE OF 164.85 FEET, ALONG THE FORMER SOUTHEASTERLY LINE OF MANNING AVENUE; THENCE;
7. NORTH 30°53'45" WEST A DISTANCE OF 10.02 FEET, TO A POINT IN THE FORMER CENTERLINE OF MANNING AVENUE; THENCE;
8. NORTH 61°51'00" EAST ALONG THE FORMER CENTERLINE OF MANNING AVENUE, A DISTANCE OF 13.30 FEET, TO A POINT; THENCE;
9. NORTH 30°53'45" WEST A DISTANCE OF 196.84 FEET, TO A POINT OF CURVE; THENCE;
10. IN A GENERAL NORTHERLY DIRECTION, CURVING TO THE RIGHT ON A RADIUS OF 409.05 FEET, AN ARC DISTANCE OF 66.27 FEET TO A POINT OF COMPOUND CURVE; THENCE;
11. IN A GENERAL NORTHERLY DIRECTION, CURVING TO THE RIGHT ON A RADIUS OF 168.42 FEET, AN ARC DISTANCE OF 109.80 FEET TO A POINT; THENCE;
12. NORTH 62°57'40" WEST, 73.25 FEET TO A POINT; THENCE

(continued on Next Page)

BK:00601 PG:00010

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: WHITLOCK MILLS-HUD/NSU #140700019

Commitment No: 2007-80012

13. SOUTH 58°04'00" WEST, 32.05 FEET TO A POINT; THENCE
14. NORTH 31°09'00" WEST, 125.03 FEET TO A POINT IN THE SOUTHEASTERLY LINE OF M.S. CONRAIL C.R.R. CO. OF N.J., LAFAYETTE BRANCH MAIN STEM; THENCE
15. NORTH 59°02'00" EAST, ALONG SAME, 16.73 FEET TO A POINT; THENCE
16. NORTH 61°02'00" EAST, ALONG SAME, 83.20 FEET TO A POINT; THENCE
17. NORTH 67°17'16" EAST, ALONG SAME, 98.47 FEET TO A POINT; THENCE
18. NORTH 70°02'00" EAST, ALONG SAME, 58.31 FEET TO A POINT; THENCE
19. NORTH 75°02'00" EAST, ALONG SAME, 28.69 FEET TO A POINT; THENCE
20. NORTH 76°02'00" EAST, ALONG SAME, 48.85 FEET TO A POINT; THENCE
21. NORTH 80°17'00" EAST, ALONG SAME, 48.52 FEET TO A POINT; THENCE
22. NORTH 82°47'00" EAST, ALONG SAME, 37.15 FEET TO A POINT; THENCE
23. SOUTH 86°43'00" EAST, ALONG THE SOUTHWESTERLY LINE OF M.S. CONRAIL C.R.R. CO. OF N.J., LAFAYETTE BRANCH MAIN STEM, 86.44 FEET TO A POINT; THENCE
24. SOUTH 80°58'00" EAST, ALONG SAME, 67.59 FEET TO A POINT; THENCE
25. SOUTH 75°43'00" EAST, ALONG SAME, 57.63 FEET TO A POINT; THENCE
26. SOUTH 70°08'00" EAST, ALONG SAME, 249.80 FEET TO A POINT; THENCE
27. SOUTH 14°29'00" WEST, 75.67 FEET TO A POINT; THENCE
28. SOUTH 28°09'00" EAST, 111.44 FEET TO A POINT IN THE TERMINUS OF MAPLE STREET; THENCE
29. SOUTH 61°51'00" WEST, ALONG THE TERMINUS OF MAPLE STREET (60 FEET WIDE) AND ALONG THE FORMER CENTERLINE OF MANNING AVENUE, NOW BEING THE NORTHWESTERLY LINE OF THE (FORMERLY VACATED) SOUTHERLY HALF OF MANNING AVENUE (30 FEET WIDE) A DISTANCE OF 182.47 FEET TO A POINT; THENCE
30. NORTH 28°09'00" WEST, 69.88 FEET TO A POINT; THENCE
31. SOUTH 61°51'00" WEST, 45.75 FEET TO A POINT; THENCE
32. NORTH 30°22'20" WEST, 17.72 FEET TO A POINT; THENCE
33. SOUTH 59°37'40" WEST, 74.60 FEET TO A POINT; THENCE

BK:00601 PG:00011

Page A2 - 2

MMSC 12/04

MAT

MAT 01/22/07 14:48:00

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: WHITLOCK MILLS-HUD/NEU #140700019

Commitment No: 2007-80012

34. NORTH 30°22'20" WEST, 130.57 FEET TO A POINT; THENCE
35. NORTH 59°37'40" EAST, 46.00 FEET TO A POINT; THENCE
36. NORTH 30°22'20" WEST, 90.52 FEET TO A POINT; THENCE
37. NORTH 59°37'40" EAST, 74.32 FEET TO A POINT; THENCE

38. SOUTH 30°22'20" EAST, 240.58 FEET TO THE END OF THE ABOVE 30TH COURSE ABOVE GIVEN; THENCE

39. SOUTH 28°09'00" EAST, ALONG SAID 30TH COURSE 69.88 FEET TO A POINT IN THE FORMER CENTERLINE OF MANNING AVENUE, NOW BEING THE NORTHWESTERLY LINE OF THE (FORMERLY VACATED) SOUTHERLY HALF OF MANNING AVENUE; THENCE

40. SOUTH 61°51'00" WEST, ALONG SAME, 276.06 FEET TO THE PLACE OF BEGINNING.

THE PARCEL OF LAND AND PREMISES WITHIN THE ABOVE DESCRIBED COURSES 26 THROUGH 33 INCLUSIVE IS KNOWN AS LOT 17, BLOCK 2057 AND IS NOT INCLUDED IN THE ABOVE DESCRIBED LANDS.

BEING SUBJECT TO A NONEXCLUSIVE INGRESS AND EGRESS EASEMENT BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF LAFAYETTE STREET (60 FEET WIDE) WITH THE SOUTHEASTERLY LINE OF FORMER MANNING AVENUE (60 FEET WIDE) (VACATED 7/19/1955); THENCE

1. NORTH 31°09'00" WEST, ALONG THE CENTER LINE OF LAFAYETTE STREET, 74.08 FEET TO A POINT; THENCE
2. NORTH 61°51'00" EAST, 209.12 FEET; THENCE
3. NORTH 30°22'20" WEST, 41.50 FEET TO A POINT IN THE LINE OF TAX LOT 17, BLOCK 2057; THENCE
4. NORTH 59°37'40" EAST; ALONG SAME, 54.50 FEET TO A POINT; THENCE
5. SOUTH 30°22'20" EAST, 45.70 FEET TO A POINT; THENCE
6. NORTH 61°51'00" EAST, 40.00 FEET TO A POINT; THENCE
7. SOUTH 28°09'00" EAST, 41.92 FEET TO A POINT IN THE FORMER CENTER LINE OF MANNING AVENUE (VACATED 7/19/1955); THENCE
8. SOUTH 61°51'00" WEST, ALONG SAME, 95.00 FEET TO A POINT; THENCE
9. NORTH 28°09'00" WEST, 18.00 FEET TO A POINT; THENCE

EK=00601

PG=00012

Page A2 - 3

NRWC 12/04

MAT

MAT 01/22/07 14:48:00

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (part 2)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: WHITLOCK MILLS-HUD/NEU #140700019

Commitment No: 2007-80812

10. SOUTH 61°51'00" WEST, 158.37 FEET TO A POINT OF CURVE; THENCE
11. IN A GENERAL SOUTHEASTERLY DIRECTION, CURVING TO THE LEFT ON A RADIUS OF 18.00 FEET, AN ARC DISTANCE OF 29.22 FEET TO A POINT IN THE EXTENDED NORTHEASTERLY LINE OF LAFAYETTE STREET; THENCE
12. SOUTH 31°09'00"EAST, ALONG SAME, 30.04 FEET TO A POINT IN THE FORMER SOUTHEASTERLY LINE OF VACATED MANNING AVENUE; THENCE
13. SOUTH 61°51'00" WEST, ALONG SAME, 30.04 FEET TO THE PLACE OF BEGINNING.

THE FOREGOING DESCRIPTION BEING IN ACCORDANCE WITH A SURVEY PREPARED BY VOLIMER ASSOCIATES, LLP, DATED JUNE 12, 2003 REVISED TO MAY 18, 2004.

BEING ALSO KNOWN AS (REPORTED FOR INFORMATIONAL PURPOSES ONLY):

LOT 28, BLOCK 2057, ON THE OFFICIAL TAX MAP OF THE CITY OF JERSEY CITY, COUNTY OF HUDSON, STATE OF NEW JERSEY.

BK:00601 PG:00013

Whitlock Mills
HMFA #1388

000948345
RECEIVED
AND
RECORDED
MTG

06/03/2004 07:21A
BARBARA A. DONNELLY
HUDSON COUNTY
REGISTER OF DEEDS
Receipt No. 184793

Prepared by:

Kimberly A. Sked
Deputy Attorney General

HOME EXPRESS MORTGAGE AND SECURITY AGREEMENT

Section 1. **Parties.** The parties to this Home Express Mortgage and Security Agreement (the "Mortgage"), which is made this 26th day of May 2004, are

WHITLOCK MILLS, L.P., a limited partnership, (the "Borrower") organized and existing pursuant to the laws of the State of Maryland, duly authorized to transact business in the State of New Jersey, having its principal place of business at 6851 Oak Hall Lane, Suite 100, Columbia, MD 21045,

AND

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY (the "Agency"; collectively, the Agency and the Borrower are the "Parties"), a body corporate and politic and an instrumentality exercising public and essential governmental functions of the State of New Jersey, created pursuant to N.J.S.A. 55:14K-1 et seq., at its principal office at 637 South Clinton Avenue, Trenton, New Jersey 08611, or at such other place as may be designated in writing by the Agency,

The Borrower acknowledges that in consideration for the execution of this Mortgage and the Home Express Mortgage Note (the "Note") that this Mortgage secures, it shall receive from the Agency the principal sum as defined in the Note (the "Principal Sum") pursuant to a Drawdown Schedule, attached to the Home Express Loan Agreement and Deed Restriction executed by the Borrower and the Agency on even date herewith (the "Loan Agreement"). The Borrower further acknowledges that the Agency provided the Principal Sum of four million dollars (\$4,000,000) (the "Home Express Loan") in accordance with the Neighborhood Preservation Balanced Housing Home Express Program ("Home Express") and the New Jersey Fair Housing Act of 1985, (N.J.S.A. 52:27D-301 et seq. (the "Act").

Section 2. **Definitions**

BK:11556 PG:00024

Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

Section 3. **Background and Purpose.** The Borrower proposes to acquire, own construct/rehabilitate and operate the Project to be located on the premises, as described in Schedule "A" attached hereto and mortgaged hereby (the "Mortgaged Premises"). As part of the financing to acquire, own, construct/rehabilitate, and/or operate the Project, the Borrower has obtained approval for the Home Express Loan, along with the Agency First Mortgage Loan. To evidence the Home Express Loan contemplated hereby, the Borrower has contemporaneously with the execution of this Mortgage executed the Note and the Loan Agreement.

The Borrower has furnished to the Agency information concerning the Project, including the description of the land on which it is to be situated (the "Land"), Plans and Specification for the construction/rehabilitation of the Project, the tenant population that is to be housed in the Project, the number of units of each type to be included therein, estimated cost of constructing the Project, details as to the projected income and expenses of the Project once constructed/rehabilitated and placed in operation, and of other local or private subsidies provided to the Project.

In addition, the Borrower has obtained in connection with the Project, the following funding commitments:

<u>Source</u>	<u>Amount</u>	<u>Purpose</u>	<u>Priority</u>
NJHMFA	\$38,365,568	First Mortgage	First
City of Jersey City	\$1,300,000	HOME Funds	Third

The Borrower acknowledges that the Agency, in deciding to finance the Project, has relied upon the representations made in the Borrower's application as set forth above. The Borrower acknowledges that the Agency reserves the right to alter the terms of the Note and this Mortgage if the sources of funds dedicated to the Project or the use of the Project as described herein, materially change. This right shall include, but not be limited to, the right to withdraw its financing commitment and the right to declare a default as described in Section 22 of the Loan Agreement and to exercise its remedies as described in Section 23 thereof.

Subject to the terms and conditions contained in this Mortgage, the Agency has approved the Borrower's application for the Home Express Loan, to be disbursed subject to terms and conditions described herein and in the other Loan Documents.

Borrower acknowledges that it will complete the acquisition and/or construction/rehabilitation in accordance with the Plans and Specifications that have been furnished by the Borrower to the Agency.

The Parties acknowledge that this Mortgage is subordinate only to the Agency's First Mortgage evidenced in the above-listed funding commitments and to the provisions of any extended low-income housing covenant for low-income housing tax credits or similar agreement which may be required by the Agency.

BK:11556 PG:00025

Section 4. **Covenant to Pay Mortgage Note.** The Borrower hereby promises to pay the Home Express Loan in accordance with the provisions of the Note and the other Loan Documents.

Section 5. Granting Clauses. In order to secure to the Agency:

- (a) the punctual payment by the Borrower of all sums due or to become due under the provisions of the Loan Documents; and
- (b) the payment or performance of all obligations of the Borrower under the Loan Documents; and
- (c) the payment or performance of all obligations of the Borrower under any superior mortgage notes or any superior mortgages;

the Borrower, subject only to the mortgage indicated as superior above, pledges, assigns and grants to the Agency a security interest in the following:

1. all of the Borrower's right, title and interest in the Project and in the Land, including, without limitation, all improvements existing or hereafter erected thereon, the legal description of the Land being set forth in the attached Schedule "A";

2. all the Borrower's right, title and interest in and to the beds of streets, roads and avenues open or proposed, adjacent or appurtenant to the Project and the Land and any easements, rights of way, licenses and other rights in favor of the Project and/or the Land over other premises;

3. any award made in the nature of compensation for condemnation or appropriation with respect to the Project and/or the Land by any governmental body, including awards or damages with respect or matters other than a direct taking which nonetheless affect the Project and/or the Land. The Borrower hereby assigns any such awards or damages to the Agency and, in addition, for itself and its successors and assigns, appoints the Agency and any subsequent holder of the Note and this Mortgage its attorney-in-fact, and empowers such attorney at its option, on behalf of the Borrower, to adjust or compromise any such claims, to collect any proceeds and to execute in the Borrower's name any documents necessary to affect such collection. The Agency is empowered to endorse any checks representing these proceeds, and after deducting any expenses incurred in the collection, to apply the net proceeds as a credit upon any portion of the Home Express Loan after payment of any Servicing Fees and interest due and payable as provided in the Note and Loan Agreement;

4. all personal property of the Borrower now or hereafter used in the operation of or for the benefit of, or located upon or attached to the real property described herein, including but not limited to all fixtures, equipment, machinery and elevators; all gas and electric appliances, engines, motors, all boilers, radiators, heaters, and furnaces; all electronic, electrical, lighting, heating, ventilating and air conditioning systems; all stoves, ranges and cooking equipment; all tubs, basins, sinks, pipes, water heaters, faucets and plumbing fixtures; all refrigerators, washing machines, laundry tubs and dryers; all awnings, screens, shades, Venetian blinds, carpeting and office, common or lobby area furniture, furnishings, cabinets, fixtures, building materials and plantings; all project deposit accounts; all accounts, documents, commercial paper, chattels, negotiable instruments, general intangibles, rents, leases, goods, inventory and including any fittings, attachments, accessories, component parts, replacements or replacement parts, additions, accretions and/or substitutions of or to any of the above-listed types of items of collateral. The proceeds of the collateral are also covered;

5. all federal and State subsidy payments to which the Borrower is or will be entitled with respect to the Project and/or the Land;

6. all rent payable by tenants with respect to any part of the Project and/or the Land, such rents being assigned to the Agency, and any other revenues from the Project and/or the Land, including fees derived from laundry, parking, licenses and other facilities or interests;

7. all amounts payable to or recoverable by the Borrower under the terms of the contract for the construction and/or rehabilitation of the Project and any surety bond or other security issued in connection therewith;

8. all rights under and amounts recovered under warranties as to quality or performance of any material, part, sub-assembly, appliance or other component part of the Project;

9. any reserves and escrows created pursuant to the terms of the Loan Documents;

10. all proceeds of casualty or other insurance on the Project or any part thereof;

11. any real estate tax or payment in lieu of tax rebates or refunds which the Borrower is entitled to receive;

12. any amounts in the Project accounts described in the Loan Agreement and any other Project funds; and

13. all syndication proceeds paid or payable to the Borrower.

14. all proceeds, products, replacements, additions, substitutions, renewals and accessions of any of the foregoing.

The security interest granted in this agreement shall continue in full force and effect until the Mortgagor has fully paid and discharged all of the indebtedness and until this Agreement is terminated.

This Mortgage shall constitute a Security Agreement and shall be effective as a fixture filing under the UCC Secured Transactions, N.J.S.A. 12A:9-101, et seq. Mortgagor authorizes the Mortgagee to file and refile such financing statements, continuation statements or security agreements as the Mortgagee shall require from time to time.

Section 6. **Representations and Warranties.** The Borrower represents and warrants to the Agency that:

BK:11556 PG:00027

- (a) (i) the Borrower is duly organized and existing under the provisions of New Jersey law, or is an out-of-state organization authorized to do business in New Jersey, and in good standing under the laws of New Jersey, (ii) has the power and authority to own its assets, to carry out and complete the Project and to carry on its business as now being conducted (and as now contemplated), and (iii) has the power to execute and perform

all the undertakings of this Mortgage and the Note. Borrower will file with Agency prior to the initial disbursement a true copy of its certificate of good standing as issued by the New Jersey office of the Secretary of State evidencing current payment of franchise taxes if applicable. Borrower will file with the Agency prior to the initial disbursement a true copy of a resolution executed by the appropriate officers of the corporation or by the appropriate individual or partners as applicable, evidencing authority granted to the Borrower to enter into this Mortgage, and the Note and to incur the obligations contained herein.

(2) If, in accordance with the terms of this Mortgage, Borrower transfers the Mortgaged Premises subject to the conditions, obligations and restrictions contained herein and contained in the Loan Documents, to an entity in which Borrower or its principals are the general partners, in the case of a partnership, or the majority shareholders, in the case of a corporation, Borrower shall submit documentation satisfactory to the Agency its successors and/or assigns that the transferee entity is in good standing. Borrower shall also submit documentation satisfactory to the Agency its successors and/or assigns evidencing authority granted to the transferee by its Board of Directors or General Partners, as appropriate, to assume the conditions, obligations and restrictions contained herein and contained in the Note.

- (b) all statements contained in all applications, correspondence or other materials delivered to the Agency in connection with its consideration of the Mortgage Loan to the Borrower or relating to the Project are true and correct.
- (c) at the time of execution of this Mortgage, or prior thereto, the Borrower has acquired title in fee simple to or entered an approved ground lease for the Mortgaged Premises described on Schedule A, subject only to such exceptions which have been disclosed in writing to the Agency and which will not, as solely determined by the Agency, materially interfere with or impair the beneficial use of the Mortgaged Premises for purposes of the Project.
- (d) no event has occurred and no condition exists which constitute an Event of Default under this mortgage or which, but for a requirement of notice or lapse of time, or both, would constitute such an Event of Default and the Borrower has obtained permission from the Agency to assume the obligations contained in this Mortgage; and
- (e) the Borrower has received all necessary authorizations for construction/rehabilitation of the Project on the Mortgaged Premises in accordance with the Plans and Specifications and the Project is now (to the extent constructed), and on completion will be, in compliance with all applicable zoning, building and environmental codes and all other laws, ordinances, rules and regulations of any governmental body having jurisdiction over the Project.

BK: 11556 PG: 00028

Section 7. Construction of Project and Determination of Actual Project Cost. The Borrower covenants, warrants and agrees to diligently prosecute the construction/rehabilitation of the Project in accordance with the Plans and Specifications for the Project as approved by the Agency.

No substantial revision of the approved Plans and Specifications, which revision would either (a) affect the nature of the Project as described in Section 3 hereof, or (b) in the aggregate increase the cost of the Project as shown on the Project Development Budget, may be made without the prior express written consent of the Agency. Construction of the Project shall at all times be subject to the inspection, review and approval of the Agency or its duly authorized representatives. Any such inspection, review or approval of the Agency shall be solely for its benefit for the purpose of assuring that the programs and goals of the Agency are being fulfilled and shall not be construed as making the Agency a party to any contract it is not already in connection with the construction of the Project, nor shall it relieve the Borrower of any of its obligations under this Mortgage or the Note.

Upon completion of the Project, the Borrower shall certify to the Agency or its successor and/or assign the actual cost of the Project. This cost certification shall be performed by a Certified Public Accountant chosen by the Borrower and approved by the Agency. The cost certification must be independent as defined by the American Institute of Certified Public Accountants. The Borrower shall, promptly upon completion of the cost certification, forward it to the Agency its successor and/or assign. Costs associated with the preparation of the cost certification shall be borne by the Borrower.

Section 8. Disbursements. Upon and subject to the terms and conditions of the Loan Documents, the Agency agrees to disburse to the Borrower in successive payments the Principal Sum.

Section 9. Advance Amortization Payments. Because the public purposes of the Agency include maximizing the period during which the residential units in the Project are available to persons of low and moderate income, any advance principal repayment shall not release the Borrower from any obligation incurred under the Note or under any agreement with the Agency that contains obligations that provide that a percentage of the units remain affordable to persons of low and moderate income for at least twenty (20) years, or for a shorter period where authorized. Such obligations shall remain whether or not Borrower has tendered to or deposited with the Agency an amount otherwise sufficient to pay the Mortgage Loan, including interest accrued and payable, in full.

Section 10. Compliance with the Balanced Housing Home Express Program. The Borrower covenants and agrees to comply with the Balanced Housing Home Express Program rules, regulations, and guidelines. If any provision of this Mortgage shall be determined to be inconsistent with the Balanced Housing Home Express Program's rules, regulations and guidelines that have not been waived, the Balanced Housing Home Express Program rules shall govern.

Section 11. Defaults. Any failure, filing, omission, occurrence, representation or breach listed at Section 22 of the Loan Agreement shall constitute an event of default with respect to this Mortgage.

BK:11556 PG:00029

Section 12. Remedies. Upon the occurrence of any Event of Default as listed at Section 22 of the Loan Agreement, the Agency, its successors, and assigns, may, subject to any superior mortgage(s), at its option, take any one or more of the actions or remedies listed at Section 23 of the Loan Agreement and no failure to exercise any such remedy or take any such action so enumerated shall constitute a waiver of such right or preclude a subsequent exercise by the Agency of any such action or remedy.

Section 13. **Amendments; Notices; Waivers.** This Mortgage may be amended only by an instrument in writing executed and acknowledged on behalf of the Agency and the Borrower in such manner that the instrument may be recorded. No waiver by the Agency in any particular instance of any Event of Default or required performance by the Borrower and no course of conduct of the parties or failure by the Agency to enforce or insist upon performance of any of the obligations of the Borrower under this Mortgage at any time shall preclude enforcement of any of the terms of this Mortgage or the Note thereafter.

Any provision of this Mortgage requiring the consent or approval of the Agency for the taking of any action or the omission of any action requires such consent by the Agency in writing signed by a duly authorized officer of the Agency. Any such consent or approval, unless it expressly states otherwise, is limited to the particular action or omission referred to therein and does not apply to subsequent similar actions or omissions.

Notice provided for under this Mortgage shall be given in writing signed by a duly authorized officer and any notice required to be given hereunder shall be given by courier, regular mail, or by certified or registered mail, postage prepaid, return receipt requested, at the addresses specified below, or at such other addresses as may be specified in writing by the parties hereto:

Borrower: Whitlock Mills, L.P.
6851 Oak Hall Lane, Suite 100
Columbia, MD 21045

Borrower's Attorney: Andrew E. Skopp
Gallagher Evelius & Jones LLP
218 North Charles Street, 4th Floor
Baltimore, Maryland 21201

Limited Partner: Boston Capital Corporate Tax Credit Fund
XXI, A Limited Partnership
C/O Boston Capital Partners, Inc.
One Boston Place, 21st Floor
Boston, MA 02108

Agency: New Jersey Housing and Mortgage Finance Agency
637 S. Clinton Avenue, P.O. Box 18550
Trenton, New Jersey 08650-2085
Attention: Director of Finance

Section 14. **Severability.** The invalidity of any part or provision of this Mortgage shall not affect the validity of the remaining portions thereof.

BK:11556 PG:00030

Section 15. Execution in Counterparts. This Mortgage may be executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 16. Applicable Law. This Mortgage shall be governed by and construed in accordance with the laws of the State of New Jersey.

Section 17. Personal Liability. The Agency agrees, on behalf of itself and any future holder of this Mortgage, the Note and the Loan Agreement, that the liability of the Sponsor, any general or limited partner or shareholder of the Sponsor and their respective heirs, representatives, successors and assigns, for the payment and performance of its obligations hereunder and under the Note and the Loan Agreement, shall be limited to the collateral pledged under this Mortgage and that the Agency shall have no right to seek a personal judgment against the Sponsor, any general or limited partner or shareholder of the Sponsor or their respective heirs, representatives, successors and assigns, individually, but shall look only to such collateral for the payment and performance of such obligations; provided, however, that the Agency shall retain the right to exercise any and all remedies granted to it under the Loan Documents. The foregoing limitation of liability shall not apply to any party to the extent such party has committed fraudulent, criminal or other unlawful acts.

THIS SPACE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the Borrower and the Agency have caused this Mortgage to be executed by their duly authorized representatives on the date first set forth above.

ATTEST:

By: Margaret A. Manfey

BORROWER: WHITLOCK MILLS, LP
By: HTA WHITLOCK, LLC
It's: General Partner

By: William L. Sengels, Managing Member

AGENCY:

ATTEST:

By: Katharine A. Tasch
Katharine A. Tasch
Assistant Secretary

By: Richard L. Evert
Richard L. Evert
Chief of Regulatory Affairs

This Mortgage has been reviewed
and approved as to form.

PETER C. HARVEY
ATTORNEY GENERAL OF NEW JERSEY

By: Kimberly A. Sked
Kimberly A. Sked
Deputy Attorney General

BK:11556 PG:00032

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: PIMIENTA/WHITLOCK/NEU #140300551

Commitment No: 2403-80021

4. The land referred to in this Commitment is described as follows:

ALL THAT CERTAIN TRACT, PARCEL AND LOT OF LAND LYING AND BEING SITUATE IN THE CITY OF JERSEY CITY, COUNTY OF HUDSON, STATE OF NEW JERSEY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FORMED BY THE INTERSECTION OF FORMER CENTERLINE OF MANNING AVENUE, WITH THE NORTHEASTERLY OF LAFAYETTE STREET; THENCE;

1. SOUTH 31°09'00" EAST ALONG THE NORTHWESTERLY LINE OF LAFAYETTE STREET, A DISTANCE OF 30.04 FEET TO A POINT; THENCE;
2. SOUTH 61°51'00" WEST A DISTANCE OF 30.04 FEET, TO A POINT IN THE FORMER CENTERLINE OF LAFAYETTE STREET (VACATED); THENCE;
3. SOUTH 31°09'00" EAST, ALONG THE FORMER CENTERLINE OF LAFAYETTE STREET A DISTANCE OF 100.14 FEET, TO A POINT; THENCE;
4. SOUTH 61°51'00" WEST, A DISTANCE OF 30.04 FEET, TO A POINT IN THE FORMER SOUTHWESTERLY LINE OF LAFAYETTE STREET; THENCE;
5. NORTH 31°09'00" WEST, ALONG THE FORMER SOUTHWESTERLY LINE OF LAFAYETTE STREET A DISTANCE OF 120.16 FEET, TO A POINT; THENCE;
6. SOUTH 61°51'00" WEST, A DISTANCE OF 164.85 FEET, ALONG THE FORMER SOUTHEASTERLY LINE OF MANNING AVENUE; THENCE;
7. NORTH 30°53'45" WEST A DISTANCE OF 10.02 FEET, TO A POINT IN THE FORMER CENTERLINE OF MANNING AVENUE; THENCE;
8. NORTH 61°51'00" EAST ALONG THE FORMER CENTERLINE OF MANNING AVENUE, A DISTANCE OF 13.30 FEET, TO A POINT; THENCE;
9. NORTH 30°53'45" WEST A DISTANCE OF 196.84 FEET, TO A POINT OF CURVE; THENCE;
10. IN A GENERAL NORTHERLY DIRECTION, CURVING TO THE RIGHT ON A RADIUS OF 409.05 FEET, AN ARC DISTANCE OF 66.27 FEET TO A POINT OF COMPOUND CURVE; THENCE
11. IN A GENERAL NORTHERLY DIRECTION, CURVING TO THE RIGHT ON A RADIUS OF 168.42 FEET, AN ARC DISTANCE OF 109.80 FEET TO A POINT; THENCE
12. NORTH 62°57'40" WEST, 73.25 FEET TO A POINT; THENCE

(Continued on Next Page)

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: PIMIENTA/WHITLOCK/NEU #140300551

Commitment No: 2403-80021

13. SOUTH 58°04'00" WEST, 32.05 FEET TO A POINT; THENCE
14. NORTH 31°09'00" WEST, 125.03 FEET TO A POINT IN THE SOUTHEASTERLY LINE OF M.B. CONRAIL C.R.R. CO. OF N.J., LAFAYETTE BRANCH MAIN STEM; THENCE
15. NORTH 59°02'00" EAST, ALONG SAME, 16.73 FEET TO A POINT; THENCE
16. NORTH 83°02'00" EAST, ALONG SAME, 83.20 FEET TO A POINT; THENCE
17. NORTH 57°17'16" EAST, ALONG SAME, 98.47 FEET TO A POINT; THENCE
18. NORTH 70°02'00" EAST, ALONG SAME, 58.31 FEET TO A POINT; THENCE
19. NORTH 75°02'00" EAST, ALONG SAME, 28.63 FEET TO A POINT; THENCE
20. NORTH 76°02'00" EAST, ALONG SAME, 48.85 FEET TO A POINT; THENCE
21. NORTH 80°17'00" EAST, ALONG SAME, 48.52 FEET TO A POINT; THENCE
22. NORTH 82°47'00" EAST, ALONG SAME, 37.15 FEET TO A POINT; THENCE
23. SOUTH 86°43'00" EAST, ALONG THE SOUTHWESTERLY LINE OF M.B. CONRAIL C.R.R. CO. OF N.J., LAFAYETTE BRANCH MAIN STEM, 86.44 FEET TO A POINT; THENCE
24. SOUTH 80°58'00" EAST, ALONG SAME, 67.59 FEET TO A POINT; THENCE
25. SOUTH 75°43'00" EAST, ALONG SAME, 57.63 FEET TO A POINT; THENCE
26. SOUTH 70°08'00" EAST, ALONG SAME, 249.80 FEET TO A POINT; THENCE
27. SOUTH 14°29'00" WEST, 75.67 FEET TO A POINT; THENCE
28. SOUTH 28°09'00" EAST, 111.44 FEET TO A POINT IN THE TERMINUS OF MAPLE STREET; THENCE
29. SOUTH 61°51'00" WEST, ALONG THE TERMINUS OF MAPLE STREET (60 FEET WIDE) AND ALONG THE FORMER CENTERLINE OF MANNING AVENUE, NOW BEING THE NORTHWESTERLY LINE OF THE (FORMERLY VACATED) SOUTHERLY HALF OF MANNING AVENUE (38 FEET WIDE) A DISTANCE OF 182.47 FEET TO A POINT; THENCE
30. NORTH 28°09'00" WEST, 69.88 FEET TO A POINT; THENCE
31. SOUTH 61°51'00" WEST, 45.75 FEET TO A POINT; THENCE
32. NORTH 30°22'20" WEST, 17.72 FEET TO A POINT; THENCE
33. SOUTH 59°37'40" WEST, 74.60 FEET TO A POINT; THENCE

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: PIMIEWITZ/WHITLOCK/NBU #140300551

Commitment No: 2403-80021

34. NORTH 30°22'20" WEST, 110.57 FEET TO A POINT; THENCE

35. NORTH 59°37'40" EAST, 46.00 FEET TO A POINT; THENCE

36. NORTH 30°22'20" WEST, 90.53 FEET TO A POINT; THENCE

37. NORTH 59°37'40" EAST, 74.32 FEET TO A POINT; THENCE

38. SOUTH 30°22'20" EAST, 240.58 FEET TO THE END OF THE ABOVE 30TH COURSE
ABOVE GIVEN; THENCE

39. SOUTH 28°09'00" EAST, ALONG SAID 30TH COURSE 69.88 FEET TO A POINT IN THE
FORMER CENTERLINE OF MANNING AVENUE, NOW BEING THE NORTHWESTERLY LINE OF THE
(FORMERLY VACATED) SOUTHERLY HALF OF MANNING AVENUE; THENCE

40. SOUTH 61°51'00" WEST, ALONG SAME, 276.06 FEET TO THE PLACE OF BEGINNING.

THE PARCEL OF LAND AND PREMISES WITHIN THE ABOVE DESCRIBED COURSES 26 THROUGH
33 INCLUSIVE IS KNOWN AS LOT 17, BLOCK 2057 AND IS NOT INCLUDED IN THE ABOVE
DESCRIBED LANDS.

BEING SUBJECT TO A NONEXCLUSIVE INGRESS AND EGRESS EASEMENT BEING DESCRIBED
AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF LAFAYETTE STREET (60 FEET
WIDE) WITH THE SOUTHEASTERLY LINE OF FORMER MANNING AVENUE (60 FEET WIDE)
(VACATED 7/19/1955); THENCE

1. NORTH 31°09'00" WEST, ALONG THE CENTER LINE OF LAFAYETTE STREET, 74.08
FEET TO A POINT; THENCE

2. NORTH 61°51'00" EAST, 209.12 FEET; THENCE

3. NORTH 30°22'20" WEST, 41.50 FEET TO A POINT IN THE LINE OF TAX LOT 17,
BLOCK 2057; THENCE

4. NORTH 59°37'40" EAST, ALONG SAME, 54.50 FEET TO A POINT; THENCE

5. SOUTH 30°22'20" EAST, 45.70 FEET TO A POINT; THENCE

6. NORTH 61°51'00" EAST, 49.00 FEET TO A POINT; THENCE

7. SOUTH 28°09'00" EAST, 41.92 FEET TO A POINT IN THE FORMER CENTER LINE OF
MANNING AVENUE (VACATED 7/19/1955); THENCE

8. SOUTH 61°51'00" WEST, ALONG SAME, 95.00 FEET TO A POINT; THENCE

9. NORTH 28°09'00" WEST, 18.00 FEET TO A POINT; THENCE

Page A2 - 3

MAK 12/94

HAT

JRR 03/21/04 11:43:49

BK:11556 PG:00035

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: PIMENTA/WHITLOCK/NEU #140300551

Commitment No: 2403-80021

10. SOUTH 61°51'00" WEST, 158.37 FEET TO A POINT OF CURVE; THENCE

11. IN A GENERAL SOUTHEASTERLY DIRECTION, CURVING TO THE LEFT ON A RADIUS OF 18.00 FEET, AN ARC DISTANCE OF 29.22 FEET TO A POINT IN THE EXTENDED NORTHEASTERLY LINE OF LAFAYETTE STREET; THENCE

12. SOUTH 31°09'00"EAST, ALONG SAME, 30.04 FEET TO A POINT IN THE FORMER SOUTHEASTERLY LINE OF VACATED MANNING AVENUE; THENCE

13. SOUTH 61°51'00" WEST, ALONG SAME, 30.04 FEET TO THE PLACE OF BEGINNING.

THE FOREGOING DESCRIPTION BEING IN ACCORDANCE WITH A SURVEY PREPARED BY VOLLMER ASSOCIATES, LLP, DATED JUNE 12, 2003 REVISED TO MAY 18, 2004.

BEING ALSO KNOWN AS (REPORTED FOR INFORMATIONAL PURPOSES ONLY):

LOT 18, BLOCK 2057, ON THE OFFICIAL TAX MAP OF THE CITY OF JERSEY CITY.

Whitlock Mills
HMFA #1388

000048345
RECEIVED
AND
RECORDED
NYG

06/03/2004 07:21A
BARBARA A. DONNELLY
HUDSON COUNTY
REGISTER OF DEEDS
Receipt No. 184793

Prepared by:

Kimberly A. Sked
Deputy Attorney General

HOME EXPRESS MORTGAGE AND SECURITY AGREEMENT

Section 1. **Parties.** The parties to this Home Express Mortgage and Security Agreement (the "Mortgage"), which is made this 26th day of May 2004, are

WHITLOCK MILLS, L.P., a limited partnership, (the "Borrower") organized and existing pursuant to the laws of the State of Maryland, duly authorized to transact business in the State of New Jersey, having its principal place of business at 6851 Oak Hall Lane, Suite 100, Columbia, MD 21045,

AND

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY (the "Agency"; collectively, the Agency and the Borrower are the "Parties"), a body corporate and politic and an instrumentality exercising public and essential governmental functions of the State of New Jersey, created pursuant to N.J.S.A. 55:14K-1 et seq., at its principal office at 637 South Clinton Avenue, Trenton, New Jersey 08611, or at such other place as may be designated in writing by the Agency,

The Borrower acknowledges that in consideration for the execution of this Mortgage and the Home Express Mortgage Note (the "Note") that this Mortgage secures, it shall receive from the Agency the principal sum as defined in the Note (the "Principal Sum") pursuant to a Drawdown Schedule, attached to the Home Express Loan Agreement and Deed Restriction executed by the Borrower and the Agency on even date herewith (the "Loan Agreement"). The Borrower further acknowledges that the Agency provided the Principal Sum of four million dollars (\$4,000,000) (the "Home Express Loan") in accordance with the Neighborhood Preservation Balanced Housing Home Express Program ("Home Express") and the New Jersey Fair Housing Act of 1985, (N.J.S.A. 52:27D-301 et seq. (the "Act")).

Section 2. Definitions

BK:11556 PG:00024

Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

Section 3. **Background and Purpose.** The Borrower proposes to acquire, own construct/rehabilitate and operate the Project to be located on the premises, as described in Schedule "A" attached hereto and mortgaged hereby (the "Mortgaged Premises"). As part of the financing to acquire, own, construct/rehabilitate, and/or operate the Project, the Borrower has obtained approval for the Home Express Loan, along with the Agency First Mortgage Loan. To evidence the Home Express Loan contemplated hereby, the Borrower has contemporaneously with the execution of this Mortgage executed the Note and the Loan Agreement.

The Borrower has furnished to the Agency information concerning the Project, including the description of the land on which it is to be situated (the "Land"), Plans and Specification for the construction/rehabilitation of the Project, the tenant population that is to be housed in the Project, the number of units of each type to be included therein, estimated cost of constructing the Project, details as to the projected income and expenses of the Project once constructed/rehabilitated and placed in operation, and of other local or private subsidies provided to the Project.

In addition, the Borrower has obtained in connection with the Project, the following funding commitments:

<u>Source</u>	<u>Amount</u>	<u>Purpose</u>	<u>Priority</u>
NIHMFA	\$38,365,568	First Mortgage	First
City of Jersey City	\$1,300,000	HOME Funds	Third

The Borrower acknowledges that the Agency, in deciding to finance the Project, has relied upon the representations made in the Borrower's application as set forth above. The Borrower acknowledges that the Agency reserves the right to alter the terms of the Note and this Mortgage if the sources of funds dedicated to the Project or the use of the Project as described herein, materially change. This right shall include, but not be limited to, the right to withdraw its financing commitment and the right to declare a default as described in Section 22 of the Loan Agreement and to exercise its remedies as described in Section 23 thereof.

Subject to the terms and conditions contained in this Mortgage, the Agency has approved the Borrower's application for the Home Express Loan, to be disbursed subject to terms and conditions described herein and in the other Loan Documents.

Borrower acknowledges that it will complete the acquisition and/or construction/rehabilitation in accordance with the Plans and Specifications that have been furnished by the Borrower to the Agency.

The Parties acknowledge that this Mortgage is subordinate only to the Agency's First Mortgage evidenced in the above-listed funding commitments and to the provisions of any extended low-income housing covenant for low-income housing tax credits or similar agreement which may be required by the Agency.

BK:11556 PG:00025

Section 4. **Covenant to Pay Mortgage Note.** The Borrower hereby promises to pay the Home Express Loan in accordance with the provisions of the Note and the other Loan Documents.

Section 5. Granting Clauses. In order to secure to the Agency:

- (a) the punctual payment by the Borrower of all sums due or to become due under the provisions of the Loan Documents; and
- (b) the payment or performance of all obligations of the Borrower under the Loan Documents; and
- (c) the payment or performance of all obligations of the Borrower under any superior mortgage notes or any superior mortgages;

the Borrower, subject only to the mortgage indicated as superior above, pledges, assigns and grants to the Agency a security interest in the following:

1. all of the Borrower's right, title and interest in the Project and in the Land, including, without limitation, all improvements existing or hereafter erected thereon, the legal description of the Land being set forth in the attached Schedule "A";

2. all the Borrower's right, title and interest in and to the beds of streets, roads and avenues open or proposed, adjacent or appurtenant to the Project and the Land and any easements, rights of way, licenses and other rights in favor of the Project and/or the Land over other premises;

3. any award made in the nature of compensation for condemnation or appropriation with respect to the Project and/or the Land by any governmental body, including awards or damages with respect or matters other than a direct taking which nonetheless affect the Project and/or the Land. The Borrower hereby assigns any such awards or damages to the Agency and, in addition, for itself and its successors and assigns, appoints the Agency and any subsequent holder of the Note and this Mortgage its attorney-in-fact, and empowers such attorney at its option, on behalf of the Borrower, to adjust or compromise any such claims, to collect any proceeds and to execute in the Borrower's name any documents necessary to affect such collection. The Agency is empowered to endorse any checks representing these proceeds, and after deducting any expenses incurred in the collection, to apply the net proceeds as a credit upon any portion of the Home Express Loan after payment of any Servicing Fees and interest due and payable as provided in the Note and Loan Agreement;

4. all personal property of the Borrower now or hereafter used in the operation of or for the benefit of, or located upon or attached to the real property described herein, including but not limited to all fixtures, equipment, machinery and elevators; all gas and electric appliances, engines, motors, all boilers, radiators, heaters, and furnaces; all electronic, electrical, lighting, heating, ventilating and air conditioning systems; all stoves, ranges and cooking equipment; all tubs, basins, sinks, pipes, water heaters, faucets and plumbing fixtures; all refrigerators, washing machines, laundry tubs and dryers; all awnings, screens, shades, Venetian blinds, carpeting and office, common or lobby area furniture, furnishings, cabinets, fixtures, building materials and plantings; all project deposit accounts; all accounts, documents, commercial paper, chattels, negotiable instruments, general intangibles, rents, leases, goods, inventory and including any fittings, attachments, accessories, component parts, replacements or replacement parts, additions, accretions and/or substitutions of or to any of the above-listed types of items of collateral. The proceeds of the collateral are also covered;

5. all federal and State subsidy payments to which the Borrower is or will be entitled with respect to the Project and/or the Land;

6. all rent payable by tenants with respect to any part of the Project and/or the Land, such rents being assigned to the Agency, and any other revenues from the Project and/or the Land, including fees derived from laundry, parking, licenses and other facilities or interests;

7. all amounts payable to or recoverable by the Borrower under the terms of the contract for the construction and/or rehabilitation of the Project and any surety bond or other security issued in connection therewith;

8. all rights under and amounts recovered under warranties as to quality or performance of any material, part, sub-assembly, appliance or other component part of the Project;

9. any reserves and escrows created pursuant to the terms of the Loan Documents;

10. all proceeds of casualty or other insurance on the Project or any part thereof;

11. any real estate tax or payment in lieu of tax rebates or refunds which the Borrower is entitled to receive;

12. any amounts in the Project accounts described in the Loan Agreement and any other Project funds; and

13. all syndication proceeds paid or payable to the Borrower.

14. all proceeds, products, replacements, additions, substitutions, renewals and accessions of any of the foregoing.

The security interest granted in this agreement shall continue in full force and effect until the Mortgagor has fully paid and discharged all of the indebtedness and until this Agreement is terminated.

This Mortgage shall constitute a Security Agreement and shall be effective as a fixture filing under the UCC Secured Transactions, N.J.S.A. 12A:9-101, et seq. Mortgagor authorizes the Mortgagee to file and refile such financing statements, continuation statements or security agreements as the Mortgagee shall require from time to time.

Section 6. **Representations and Warranties.** The Borrower represents and warrants to the Agency that:

BK:11554 PG:00027

- (a) (i) the Borrower is duly organized and existing under the provisions of New Jersey law, or is an out-of-state organization authorized to do business in New Jersey, and in good standing under the laws of New Jersey, (ii) has the power and authority to own its assets, to carry out and complete the Project and to carry on its business as now being conducted (and as now contemplated), and (iii) has the power to execute and perform

all the undertakings of this Mortgage and the Note. Borrower will file with Agency prior to the initial disbursement a true copy of its certificate of good standing as issued by the New Jersey office of the Secretary of State evidencing current payment of franchise taxes if applicable. Borrower will file with the Agency prior to the initial disbursement a true copy of a resolution executed by the appropriate officers of the corporation or by the appropriate individual or partners as applicable, evidencing authority granted to the Borrower to enter into this Mortgage, and the Note and to incur the obligations contained herein.

(2) If, in accordance with the terms of this Mortgage, Borrower transfers the Mortgaged Premises subject to the conditions, obligations and restrictions contained herein and contained in the Loan Documents, to an entity in which Borrower or its principals are the general partners, in the case of a partnership, or the majority shareholders, in the case of a corporation, Borrower shall submit documentation satisfactory to the Agency its successors and/or assigns that the transferee entity is in good standing. Borrower shall also submit documentation satisfactory to the Agency its successors and/or assigns evidencing authority granted to the transferee by its Board of Directors or General Partners, as appropriate, to assume the conditions, obligations and restrictions contained herein and contained in the Note.

- (b) all statements contained in all applications, correspondence or other materials delivered to the Agency in connection with its consideration of the Mortgage Loan to the Borrower or relating to the Project are true and correct.
- (c) at the time of execution of this Mortgage, or prior thereto, the Borrower has acquired title in fee simple to or entered an approved ground lease for the Mortgaged Premises described on Schedule A, subject only to such exceptions which have been disclosed in writing to the Agency and which will not, as solely determined by the Agency, materially interfere with or impair the beneficial use of the Mortgaged Premises for purposes of the Project.
- (d) no event has occurred and no condition exists which constitute an Event of Default under this mortgage or which, but for a requirement of notice or lapse of time, or both, would constitute such an Event of Default and the Borrower has obtained permission from the Agency to assume the obligations contained in this Mortgage; and
- (e) the Borrower has received all necessary authorizations for construction/rehabilitation of the Project on the Mortgaged Premises in accordance with the Plans and Specifications and the Project is now (to the extent constructed), and on completion will be, in compliance with all applicable zoning, building and environmental codes and all other laws, ordinances, rules and regulations of any governmental body having jurisdiction over the Project.

BK: 11556 PG: 00028

Section 7. Construction of Project and Determination of Actual Project Cost. The Borrower covenants, warrants and agrees to diligently prosecute the construction/rehabilitation of the Project in accordance with the Plans and Specifications for the Project as approved by the Agency.

No substantial revision of the approved Plans and Specifications, which revision would either (a) affect the nature of the Project as described in Section 3 hereof, or (b) in the aggregate increase the cost of the Project as shown on the Project Development Budget, may be made without the prior express written consent of the Agency. Construction of the Project shall at all times be subject to the inspection, review and approval of the Agency or its duly authorized representatives. Any such inspection, review or approval of the Agency shall be solely for its benefit for the purpose of assuring that the programs and goals of the Agency are being fulfilled and shall not be construed as making the Agency a party to any contract it is not already in connection with the construction of the Project, nor shall it relieve the Borrower of any of its obligations under this Mortgage or the Note.

Upon completion of the Project, the Borrower shall certify to the Agency or its successor and/or assign the actual cost of the Project. This cost certification shall be performed by a Certified Public Accountant chosen by the Borrower and approved by the Agency. The cost certification must be independent as defined by the American Institute of Certified Public Accountants. The Borrower shall, promptly upon completion of the cost certification, forward it to the Agency its successor and/or assign. Costs associated with the preparation of the cost certification shall be borne by the Borrower.

Section 8. Disbursements. Upon and subject to the terms and conditions of the Loan Documents, the Agency agrees to disburse to the Borrower in successive payments the Principal Sum.

Section 9. Advance Amortization Payments. Because the public purposes of the Agency include maximizing the period during which the residential units in the Project are available to persons of low and moderate income, any advance principal repayment shall not release the Borrower from any obligation incurred under the Note or under any agreement with the Agency that contains obligations that provide that a percentage of the units remain affordable to persons of low and moderate income for at least twenty (20) years, or for a shorter period where authorized. Such obligations shall remain whether or not Borrower has tendered to or deposited with the Agency an amount otherwise sufficient to pay the Mortgage Loan, including interest accrued and payable, in full.

Section 10. Compliance with the Balanced Housing Home Express Program. The Borrower covenants and agrees to comply with the Balanced Housing Home Express Program rules, regulations, and guidelines. If any provision of this Mortgage shall be determined to be inconsistent with the Balanced Housing Home Express Program's rules, regulations and guidelines that have not been waived, the Balanced Housing Home Express Program rules shall govern.

Section 11. Defaults. Any failure, filing, omission, occurrence, representation or breach listed at Section 22 of the Loan Agreement shall constitute an event of default with respect to this Mortgage.

BK: 11556 PG: 00029

Section 12. Remedies. Upon the occurrence of any Event of Default as listed at Section 22 of the Loan Agreement, the Agency, its successors, and assigns, may, subject to any superior mortgage(s), at its option, take any one or more of the actions or remedies listed at Section 23 of the Loan Agreement and no failure to exercise any such remedy or take any such action so enumerated shall constitute a waiver of such right or preclude a subsequent exercise by the Agency of any such action or remedy.

Section 13. Amendments; Notices; Waivers. This Mortgage may be amended only by an instrument in writing executed and acknowledged on behalf of the Agency and the Borrower in such manner that the instrument may be recorded. No waiver by the Agency in any particular instance of any Event of Default or required performance by the Borrower and no course of conduct of the parties or failure by the Agency to enforce or insist upon performance of any of the obligations of the Borrower under this Mortgage at any time shall preclude enforcement of any of the terms of this Mortgage or the Note thereafter.

Any provision of this Mortgage requiring the consent or approval of the Agency for the taking of any action or the omission of any action requires such consent by the Agency in writing signed by a duly authorized officer of the Agency. Any such consent or approval, unless it expressly states otherwise, is limited to the particular action or omission referred to therein and does not apply to subsequent similar actions or omissions.

Notice provided for under this Mortgage shall be given in writing signed by a duly authorized officer and any notice required to be given hereunder shall be given by courier, regular mail, or by certified or registered mail, postage prepaid, return receipt requested, at the addresses specified below, or at such other addresses as may be specified in writing by the parties hereto:

Borrower: Whitlock Mills, L.P.
6851 Oak Hall Lane, Suite 100
Columbia, MD 21045

Borrower's Attorney: Andrew E. Skopp
Gallagher Evalius & Jones LLP
218 North Charles Street, 4th Floor
Baltimore, Maryland 21201

Limited Partner: Boston Capital Corporate Tax Credit Fund
XXI, A Limited Partnership
C/O Boston Capital Partners, Inc.
One Boston Place, 21st Floor
Boston, MA 02108

Agency: New Jersey Housing and Mortgage Finance Agency
637 S. Clinton Avenue, P.O. Box 18550
Trenton, New Jersey 08650-2085
Attention: Director of Finance

Section 14. Severability. The invalidity of any part or provision of this Mortgage shall not affect the validity of the remaining portions thereof.

BK:11556 PG:00030

Section 15. **Execution in Counterparts.** This Mortgage may be executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 16. **Applicable Law.** This Mortgage shall be governed by and construed in accordance with the laws of the State of New Jersey.

Section 17. **Personal Liability.** The Agency agrees, on behalf of itself and any future holder of this Mortgage, the Note and the Loan Agreement, that the liability of the Sponsor, any general or limited partner or shareholder of the Sponsor and their respective heirs, representatives, successors and assigns, for the payment and performance of its obligations hereunder and under the Note and the Loan Agreement, shall be limited to the collateral pledged under this Mortgage and that the Agency shall have no right to seek a personal judgment against the Sponsor, any general or limited partner or shareholder of the Sponsor or their respective heirs, representatives, successors and assigns, individually, but shall look only to such collateral for the payment and performance of such obligations; provided, however, that the Agency shall retain the right to exercise any and all remedies granted to it under the Loan Documents. The foregoing limitation of liability shall not apply to any party to the extent such party has committed fraudulent, criminal or other unlawful acts.

THIS SPACE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the Borrower and the Agency have caused this Mortgage to be executed by their duly authorized representatives on the date first set forth above.

ATTEST:

Margaret A. Manfey
By: Margaret A. Manfey

BORROWER: WHITLOCK MILLS, LP
By: HTA WHITLOCK, LLC
Its: General Partner

William L. Sengels
By: William L. Sengels, Managing Member

ATTEST:

Katharine A. Tasch
By: Katharine A. Tasch
Assistant Secretary

AGENCY:

Richard L. Evert
By: Richard L. Evert
Chief of Regulatory Affairs

This Mortgage has been reviewed
and approved as to form.

PETER C. HARVEY
ATTORNEY GENERAL OF NEW JERSEY

Kimberly A. Sked
By: Kimberly A. Sked
Deputy Attorney General

BK:11556 PG:00032

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: FIMIBETA/WHITLOCK/NEU #140300551

Commitment No: 2403-80021

4. The land referred to in this Commitment is described as follows:

ALL THAT CERTAIN TRACT, PARCEL AND LOT OF LAND LYING AND BEING SITUATE IN THE CITY OF JERSEY CITY, COUNTY OF HUDSON, STATE OF NEW JERSEY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FORMED BY THE INTERSECTION OF FORMER CENTERLINE OF MANNING AVENUE, WITH THE NORTHEASTERLY OF LAFAYETTE STREET; THENCE;

1. SOUTH 31°09'00" EAST ALONG THE NORTHWESTERLY LINE OF LAFAYETTE STREET, A DISTANCE OF 30.04 FEET TO A POINT; THENCE;
2. SOUTH 61°51'00" WEST A DISTANCE OF 30.04 FEET, TO A POINT IN THE FORMER CENTERLINE OF LAFAYETTE STREET (VACATED); THENCE;
3. SOUTH 31°09'00" EAST, ALONG THE FORMER CENTERLINE OF LAFAYETTE STREET A DISTANCE OF 100.14 FEET, TO A POINT; THENCE;
4. SOUTH 61°51'00" WEST, A DISTANCE OF 30.04 FEET, TO A POINT IN THE FORMER SOUTHWESTERLY LINE OF LAFAYETTE STREET; THENCE;
5. NORTH 31°09'00" WEST, ALONG THE FORMER SOUTHWESTERLY LINE OF LAFAYETTE STREET A DISTANCE OF 120.16 FEET, TO A POINT; THENCE;
6. SOUTH 61°51'00" WEST, A DISTANCE OF 164.85 FEET, ALONG THE FORMER SOUTHEASTERLY LINE OF MANNING AVENUE; THENCE;
7. NORTH 30°53'45" WEST A DISTANCE OF 10.02 FEET, TO A POINT IN THE FORMER CENTERLINE OF MANNING AVENUE; THENCE;
8. NORTH 61°51'00" EAST ALONG THE FORMER CENTERLINE OF MANNING AVENUE, A DISTANCE OF 13.30 FEET, TO A POINT; THENCE;
9. NORTH 30°53'45" WEST A DISTANCE OF 196.84 FEET, TO A POINT OF CURVE; THENCE;
10. IN A GENERAL NORTHERLY DIRECTION, CURVING TO THE RIGHT ON A RADIUS OF 409.05 FEET, AN ARC DISTANCE OF 66.27 FEET TO A POINT OF COMPOUND CURVE; THENCE
11. IN A GENERAL NORTHERLY DIRECTION, CURVING TO THE RIGHT ON A RADIUS OF 168.42 FEET, AN ARC DISTANCE OF 109.80 FEET TO A POINT; THENCE
12. NORTH 62°57'40" WEST, 73.25 FEET TO A POINT; THENCE

(Continued on Next Page)

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: PIMIENTA/WHITLOCK/NEU #140300551

Commitment No: 2403-80021

13. SOUTH 58°04'00" WEST, 32.05 FEET TO A POINT; THENCE
14. NORTH 31°09'00" WEST, 125.03 FEET TO A POINT IN THE SOUTHEASTERLY LINE OF M.S. CONRAIL C.R.R. CO. OF N.J., LAFAYETTE BRANCH MAIN STEM; THENCE
15. NORTH 59°02'00" EAST, ALONG SAME, 16.73 FEET TO A POINT; THENCE
16. NORTH 63°02'00" EAST, ALONG SAME, 83.20 FEET TO A POINT; THENCE
17. NORTH 67°17'16" EAST, ALONG SAME, 98.47 FEET TO A POINT; THENCE
18. NORTH 70°02'00" EAST, ALONG SAME, 58.31 FEET TO A POINT; THENCE
19. NORTH 75°02'00" EAST, ALONG SAME, 28.69 FEET TO A POINT; THENCE
20. NORTH 78°02'00" EAST, ALONG SAME, 48.85 FEET TO A POINT; THENCE
21. NORTH 80°17'00" EAST, ALONG SAME, 48.52 FEET TO A POINT; THENCE
22. NORTH 82°47'00" EAST, ALONG SAME, 37.15 FEET TO A POINT; THENCE
23. SOUTH 86°43'00" EAST, ALONG THE SOUTHWESTERLY LINE OF M.S. CONRAIL C.R.R. CO. OF N.J., LAFAYETTE BRANCH MAIN STEM, 86.44 FEET TO A POINT; THENCE
24. SOUTH 80°58'00" EAST, ALONG SAME, 67.59 FEET TO A POINT; THENCE
25. SOUTH 75°43'00" EAST, ALONG SAME, 57.63 FEET TO A POINT; THENCE
26. SOUTH 70°08'00" EAST, ALONG SAME, 249.80 FEET TO A POINT; THENCE
27. SOUTH 14°29'00" WEST, 75.67 FEET TO A POINT; THENCE
28. SOUTH 28°09'00" EAST, 111.44 FEET TO A POINT IN THE TERMINUS OF MAPLE STREET; THENCE
29. SOUTH 61°51'00" WEST, ALONG THE TERMINUS OF MAPLE STREET (50 FEET WIDE) AND ALONG THE FORMER CENTERLINE OF MANNING AVENUE, NOW BEING THE NORTHWESTERLY LINE OF THE (FORMERLY VACATED) SOUTHERLY HALF OF MANNING AVENUE (30 FEET WIDE) A DISTANCE OF 182.47 FEET TO A POINT; THENCE
30. NORTH 28°09'00" WEST, 63.88 FEET TO A POINT; THENCE
31. SOUTH 61°51'00" WEST, 45.75 FEET TO A POINT; THENCE
32. NORTH 30°22'20" WEST, 17.72 FEET TO A POINT; THENCE
33. SOUTH 59°37'40" WEST, 74.60 FEET TO A POINT; THENCE

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: PIMIENTA/WHITLOCK/NSU #140300551

Commitment No: 2403-80021

34. NORTH 30°22'20" WEST, 130.57 FEET TO A POINT; THENCE
35. NORTH 59°37'40" EAST, 46.00 FEET TO A POINT; THENCE
36. NORTH 30°22'20" WEST, 90.52 FEET TO A POINT; THENCE
37. NORTH 59°37'40" EAST, 74.32 FEET TO A POINT; THENCE
38. SOUTH 30°22'20" EAST, 240.58 FEET TO THE END OF THE ABOVE 30TH COURSE ABOVE GIVEN; THENCE

39. SOUTH 28°09'00" EAST, ALONG SAID 30TH COURSE 69.88 FEET TO A POINT IN THE FORMER CENTERLINE OF MANNING AVENUE, NOW BEING THE NORTHWESTERLY LINE OF THE (FORMERLY VACATED) SOUTHERLY HALF OF MANNING AVENUE; THENCE

40. SOUTH 61°51'00" WEST, ALONG SAME, 276.06 FEET TO THE PLACE OF BEGINNING.

THE PARCEL OF LAND AND PREMISES WITHIN THE ABOVE DESCRIBED COURSES 26 THROUGH 31 INCLUSIVE IS KNOWN AS LOT 17, BLOCK 2057 AND IS NOT INCLUDED IN THE ABOVE DESCRIBED LANDS.

BEING SUBJECT TO A NONEXCLUSIVE INGRESS AND EGRESS EASEMENT BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF LAFAYETTE STREET (60 FEET WIDE) WITH THE SOUTHEASTERLY LINE OF FORMER MANNING AVENUE (60 FEET WIDE) (VACATED 7/19/1955); THENCE

1. NORTH 31°09'00" WEST, ALONG THE CENTER LINE OF LAFAYETTE STREET, 74.08 FEET TO A POINT; THENCE
2. NORTH 61°51'00" EAST, 209.12 FEET; THENCE
3. NORTH 30°22'20" WEST, 41.50 FEET TO A POINT IN THE LINE OF TAX LOT 17, BLOCK 2057; THENCE
4. NORTH 59°37'40" EAST, ALONG SAME, 54.50 FEET TO A POINT; THENCE
5. SOUTH 30°22'20" EAST, 45.70 FEET TO A POINT; THENCE
6. NORTH 61°51'00" EAST, 40.00 FEET TO A POINT; THENCE
7. SOUTH 28°09'00" EAST, 41.92 FEET TO A POINT IN THE FORMER CENTER LINE OF MANNING AVENUE (VACATED 7/19/1955); THENCE
8. SOUTH 61°51'00" WEST, ALONG SAME, 95.00 FEET TO A POINT; THENCE
9. NORTH 28°09'00" WEST, 18.00 FEET TO A POINT; THENCE

Page A1 - 3

MPW20 12/94

MAT

JRR 05/24/04 11:43:49

BK=11556 PG=00035

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: PIMENTA/WHITLOCK/NEU #140300551

Commitment No: 2403-80021

10. SOUTH 61°51'00" WEST, 158.37 FEET TO A POINT OF CURVE; THENCE

11. IN A GENERAL SOUTHEASTERLY DIRECTION, CURVING TO THE LEFT ON A RADIUS OF 18.00 FEET, AN ARC DISTANCE OF 29.22 FEET TO A POINT IN THE EXTENDED NORTHEASTERLY LINE OF LAFAYETTE STREET; THENCE

12. SOUTH 31°09'00"EAST, ALONG SAME, 30.04 FEET TO A POINT IN THE FORMER SOUTHEASTERLY LINE OF VACATED MANNING AVENUE; THENCE

13. SOUTH 61°51'00" WEST, ALONG SAME, 30.04 FEET TO THE PLACE OF BEGINNING.

THE FOREGOING DESCRIPTION BEING IN ACCORDANCE WITH A SURVEY PREPARED BY VOLLMER ASSOCIATES, LLP, DATED JUNE 12, 2003 REVISED TO MAY 18, 2004.

BEING ALSO KNOWN AS (REPORTED FOR INFORMATIONAL PURPOSES ONLY):

LOT 18, BLOCK 2057, ON THE OFFICIAL TAX MAP OF THE CITY OF JERSEY CITY.

CONSENT TO SUBORDINATION & POSTPONEMENT OF MORTGAGE

THIS SUBORDINATION is made on the 11 day of June, 2007.

06/29/2007 08130A
WILLIE L. FLOOD
HUDSON COUNTY
REGISTER OF DEEDS
RECEIVED
001018338
RECORDED
AND
REL

BETWEEN the Mortgage Holder, **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY** on behalf of the **Neighborhood Preservation Balanced Housing Home Express Program**, (hereinafter referred to as the "Lender"), having its principal office at 637 S. Clinton Avenue, Trenton, New Jersey 08611.

AND the **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**, a body politic and corporate and an instrumentality exercising public and essential governmental functions of the State of New Jersey, (the "Agency"), having its principal office located at 637 S. Clinton Avenue, PO Box 18550, Trenton, New Jersey 08650-2085.

Present Mortgage. Lender is the holder of a Mortgage referred to herein as the "Present Mortgage." The Present Mortgage is dated as of May 26, 2004 and was made by **WHITLOCK MILLS, L.P.**, (the "Sponsor"), a Maryland limited partnership to the Lender. The Present Mortgage was recorded in the Hudson County Register's Office in **Mortgage Book 11556, Page 24**. The Lender also holds a Note that is secured by the Present Mortgage. The Present Mortgage covers property located on the premises described in Schedule "A" attached hereto (the "Project"). The original amount of the Mortgage Note which was secured by the Present Mortgage was \$4,000,000.

Amended First Mortgage. The Agency is about to amend an existing First Mortgage Loan by increasing the loan amount from \$38,365,568 to \$40,415,568. The existing First Mortgage is secured by the same collateral as the Present Mortgage, the Project. The aforesaid Agency mortgage is referred to herein as the "Amended Mortgage."

Postponement. The Lender hereby agrees that from and after the date hereof, the Present Mortgage and all amendments thereto, whenever made, will be subject, subordinate, and inferior in priority to the Amended Mortgage and all amendments thereto, whenever made. This includes all renewals and extensions of the Amended Mortgage. The Lender has received good and valuable consideration for making this Postponement, and the Lender desires to grant this Postponement to induce the Agency to make the loan secured by the Amended Mortgage.

Other Mortgages. This Postponement changes only the priority of the Present Mortgage with respect to the Amended Mortgage. It does not change the priority of the Present Mortgage in relation to any other mortgages that are recorded against and cover the Project property as of the date hereof ("Other Mortgages"). The priority of the Present Mortgage in relation to all Other Mortgages remains unchanged by this Postponement, and the Present Mortgage remains in effect in all other respects.

Who is Bound. This Postponement is binding upon the Lender and all who succeed to the Lender's rights as holder of the Present Mortgage.

BK:00400 PG:00342

CHICAGO TITLE INSURANCE COMPANY
TWO UNIVERSITY PLAZA
PLAZA 14
HACKENSACK, NEW JERSEY 07601

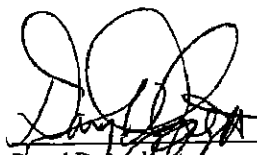
071963.00524/11619799v.1

6 pgs 9015

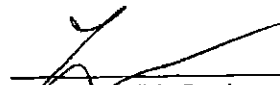
Signatures. This Postponement has been duly executed by the Lender on the date first above written.

ATTEST:

NEW JERSEY HOUSING AND MORTGAGE
FINANCE AGENCY on behalf of the
NEIGHBORHOOD PRESERVATION
BALANCED HOUSING HOME EXPRESS
PROGRAM

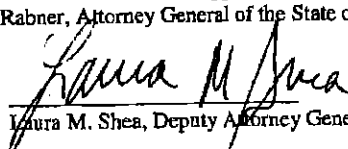

Darryl D. Applegate
Assistant Secretary

By:


Name: Leslie S. Lefkowitz
Title: Chief of Regulatory Affairs

This Subordination has been approved as to form.
Stuart Rabner, Attorney General of the State of New Jersey

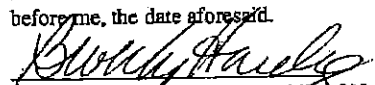
By:


Laura M. Shea, Deputy Attorney General

STATE OF NEW JERSEY, COUNTY OF MERCER: SS

BE IT REMEMBERED, that on this 11 day of June, 2007, before me, Beverly Harding, the subscriber, a Notary Public of the State of New Jersey, personally appeared Darryl D. Applegate, who, being duly sworn on his/her oath, acknowledges and makes proof to my satisfaction, that he/she is the Assistant Secretary of the NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY acting on behalf of the NEIGHBORHOOD PRESERVATION BALANCED HOUSING HOME EXPRESS PROGRAM, the Lender named in the within Instrument, that the execution as well as the making of this Instrument has been duly authorized by said Lender as and for the voluntary act and deed of the said Lender, in the presence of deponent, who thereupon subscribed his name thereto as attesting witness.

SWORN TO AND SUBSCRIBED
before me, the date aforesaid.


Beverly A. Harding, Notary Public of New Jersey
My commission expires: 3/27/09

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: WHITLOCK MILLS-HUD/NEU #140700019

Commitment No: 2007-80012

4. The land referred to in this Commitment is described as follows:

ALL THAT CERTAIN TRACT, PARCEL AND LOT OF LAND LYING AND BEING SITUATE IN THE CITY OF JERSEY CITY, COUNTY OF HUDSON, STATE OF NEW JERSEY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FORMED BY THE INTERSECTION OF FORMER CENTERLINE OF MANNING AVENUE, WITH THE NORTHEASTERLY OF LAFAYETTE STREET; THENCE;

1. SOUTH 31°09'00" EAST ALONG THE NORTHWESTERLY LINE OF LAFAYETTE STREET, A DISTANCE OF 30.04 FEET TO A POINT; THENCE;
2. SOUTH 61°51'00" WEST A DISTANCE OF 30.04 FEET, TO A POINT IN THE FORMER CENTERLINE OF LAFAYETTE STREET (VACATED); THENCE;
3. SOUTH 31°09'00" EAST, ALONG THE FORMER CENTERLINE OF LAFAYETTE STREET A DISTANCE OF 100.14 FEET, TO A POINT; THENCE;
4. SOUTH 61°51'00" WEST, A DISTANCE OF 30.04 FEET, TO A POINT IN THE FORMER SOUTHWESTERLY LINE OF LAFAYETTE STREET; THENCE;
5. NORTH 31°09'00" WEST, ALONG THE FORMER SOUTHWESTERLY LINE OF LAFAYETTE STREET A DISTANCE OF 120.16 FEET, TO A POINT; THENCE;
6. SOUTH 61°51'00" WEST, A DISTANCE OF 164.85 FEET, ALONG THE FORMER SOUTHEASTERLY LINE OF MANNING AVENUE; THENCE;
7. NORTH 30°53'45" WEST A DISTANCE OF 10.02 FEET, TO A POINT IN THE FORMER CENTERLINE OF MANNING AVENUE; THENCE;
8. NORTH 61°51'00" EAST ALONG THE FORMER CENTERLINE OF MANNING AVENUE, A DISTANCE OF 13.30 FEET, TO A POINT; THENCE;
9. NORTH 30°53'45" WEST A DISTANCE OF 196.84 FEET, TO A POINT OF CURVE; THENCE;
10. IN A GENERAL NORTHERLY DIRECTION, CURVING TO THE RIGHT ON A RADIUS OF 409.05 FEET, AN ARC DISTANCE OF 66.27 FEET TO A POINT OF COMPOUND CURVE; THENCE
11. IN A GENERAL NORTHERLY DIRECTION, CURVING TO THE RIGHT ON A RADIUS OF 168.42 FEET, AN ARC DISTANCE OF 109.60 FEET TO A POINT; THENCE
12. NORTH 62°57'40" WEST, 73.25 FEET TO A POINT; THENCE

(Continued on Next Page)

BK:00600 PG:00344

Page A2 - 1

MM 12/04

NAT

NAT 01/22/07 14:48:00

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: WHITLOCK MILLS-HUD/NEU #140700019

Commitment No: 2007-80012

13. SOUTH 58°04'00" WEST, 32.05 FEET TO A POINT; THENCE
14. NORTH 31°03'00" WEST, 125.03 FEET TO A POINT IN THE SOUTHEASTERLY LINE OF M.S. CONRAIL C.R.R. CO. OF N.J., LAFAYETTE BRANCH MAIN STEM; THENCE
15. NORTH 59°02'00" EAST, ALONG SAME, 16.73 FEET TO A POINT; THENCE
16. NORTH 63°02'00" EAST, ALONG SAME, 83.20 FEET TO A POINT; THENCE
17. NORTH 67°17'16" EAST, ALONG SAME, 98.47 FEET TO A POINT; THENCE
18. NORTH 70°02'00" EAST, ALONG SAME, 58.31 FEET TO A POINT; THENCE
19. NORTH 75°02'00" EAST, ALONG SAME, 28.69 FEET TO A POINT; THENCE
20. NORTH 76°02'00" EAST, ALONG SAME, 48.85 FEET TO A POINT; THENCE
21. NORTH 80°17'00" EAST, ALONG SAME, 48.52 FEET TO A POINT; THENCE
22. NORTH 82°47'00" EAST, ALONG SAME, 37.15 FEET TO A POINT; THENCE
23. SOUTH 86°43'00" EAST, ALONG THE SOUTHWESTERLY LINE OF M.S. CONRAIL C.R.R. CO. OF N.J., LAFAYETTE BRANCH MAIN STEM, 86.44 FEET TO A POINT; THENCE
24. SOUTH 80°58'00" EAST, ALONG SAME, 67.59 FEET TO A POINT; THENCE
25. SOUTH 75°43'00" EAST, ALONG SAME, 57.63 FEET TO A POINT; THENCE
26. SOUTH 70°08'00" EAST, ALONG SAME, 249.80 FEET TO A POINT; THENCE
27. SOUTH 14°29'00" WEST, 75.67 FEET TO A POINT; THENCE
28. SOUTH 28°09'00" EAST, 111.44 FEET TO A POINT IN THE TERMINUS OF MAPLE STREET; THENCE
29. SOUTH 61°51'00" WEST, ALONG THE TERMINUS OF MAPLE STREET (60 FEET WIDE) AND ALONG THE FORMER CENTERLINE OF MANNING AVENUE, NOW BEING THE NORTHWESTERLY LINE OF THE (FORMERLY VACATED) SOUTHERLY HALF OF MANNING AVENUE (30 FEET WIDE) A DISTANCE OF 182.47 FEET TO A POINT; THENCE
30. NORTH 28°09'00" WEST, 69.88 FEET TO A POINT; THENCE
31. SOUTH 61°51'00" WEST, 45.75 FEET TO A POINT; THENCE
32. NORTH 30°22'20" WEST, 17.72 FEET TO A POINT; THENCE
33. SOUTH 59°37'40" WEST, 74.60 FEET TO A POINT; THENCE

BK=00600 PG=00345

Insured By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: WHITLOCK MILLS-HUD/NEU #140700019

Commitment No: 2007-80012

34. NORTH 30°22'20" WEST, 130.57 FEET TO A POINT; THENCE

35. NORTH 59°37'40" EAST, 46.00 FEET TO A POINT; THENCE

36. NORTH 30°22'20" WEST, 90.52 FEET TO A POINT; THENCE

37. NORTH 59°37'40" EAST, 74.32 FEET TO A POINT; THENCE

38. SOUTH 30°22'20" EAST, 240.58 FEET TO THE END OF THE ABOVE 30TH COURSE ABOVE GIVEN; THENCE

39. SOUTH 28°09'00" EAST, ALONG SAID 30TH COURSE 69.88 FEET TO A POINT IN THE FORMER CENTERLINE OF MANNING AVENUE, NOW BEING THE NORTHWESTERLY LINE OF THE (FORMERLY VACATED) SOUTHERLY HALF OF MANNING AVENUE; THENCE

40. SOUTH 61°51'00" WEST, ALONG SAME, 276.06 FEET TO THE PLACE OF BEGINNING.

THE PARCEL OF LAND AND PREMISES WITHIN THE ABOVE DESCRIBED COURSES 26 THROUGH 33 INCLUSIVE IS KNOWN AS LOT 17, BLOCK 2057 AND IS NOT INCLUDED IN THE ABOVE DESCRIBED LANDS.

BEING SUBJECT TO A NONEXCLUSIVE INGRESS AND EGRESS EASEMENT BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF LAFAYETTE STREET (60 FEET WIDE) WITH THE SOUTHEASTERLY LINE OF FORMER MANNING AVENUE (60 FEET WIDE) (VACATED 7/19/1955); THENCE

1. NORTH 31°09'00" WEST, ALONG THE CENTER LINE OF LAFAYETTE STREET, 74.08 FEET TO A POINT; THENCE

2. NORTH 61°51'00" EAST, 209.12 FEET; THENCE

3. NORTH 30°22'20" WEST, 41.50 FEET TO A POINT IN THE LINE OF TAX LOT 17, BLOCK 2057; THENCE

4. NORTH 59°37'40" EAST, ALONG SAME, 54.50 FEET TO A POINT; THENCE

5. SOUTH 30°22'20" EAST, 45.70 FEET TO A POINT; THENCE

6. NORTH 61°51'00" EAST, 40.00 FEET TO A POINT; THENCE

7. SOUTH 28°09'00" EAST, 41.92 FEET TO A POINT IN THE FORMER CENTER LINE OF MANNING AVENUE (VACATED 7/19/1955); THENCE

8. SOUTH 61°51'00" WEST, ALONG SAME, 95.00 FEET TO A POINT; THENCE

9. NORTH 28°09'00" WEST, 18.00 FEET TO A POINT; THENCE

Page A2 - 3

EK=00600 PG=00346

HWAC 12/04

MAI

MAI 01/22/07 14:46:00

Issued By:

CHICAGO TITLE INSURANCE COMPANY

Schedule A - Description (cont'd)

COMMERCIAL COMMITMENT FOR TITLE INSURANCE

Your Reference: WHITLOCK MILLS-HUD/NEU #140700019

Commitment No: 2007-50012

10. SOUTH 61°51'00" WEST, 158.37 FEET TO A POINT OF CURVE; THENCE

11. IN A GENERAL SOUTHEASTERLY DIRECTION, CURVING TO THE LEFT ON A RADIUS OF 18.00 FEET, AN ARC DISTANCE OF 29.22 FEET TO A POINT IN THE EXTENDED NORTHEASTERLY LINE OF LAFAYETTE STREET; THENCE

12. SOUTH 31°09'00"EAST, ALONG SAME, 30.04 FEET TO A POINT IN THE FORMER SOUTHEASTERLY LINE OF VACATED MANNING AVENUE; THENCE

13. SOUTH 61°51'00" WEST, ALONG SAME, 30.04 FEET TO THE PLACE OF BEGINNING.

THE FOREGOING DESCRIPTION BEING IN ACCORDANCE WITH A SURVEY PREPARED BY VOLLMER ASSOCIATES, LLP, DATED JUNE 12, 2003 REVISED TO MAY 18, 2004.

BEING ALSO KNOWN AS (REPORTED FOR INFORMATIONAL PURPOSES ONLY):

LOT 28, BLOCK 2057, ON THE OFFICIAL TAX MAP OF THE CITY OF JERSEY CITY, COUNTY OF HUDSON, STATE OF NEW JERSEY.

BK:00600 PG:00347

Page A2 ~ 4

NR02 12/04

WAT

WAT 02/22/07 14:48:00

DEVELOPMENT LOAN MORTGAGE

by and between

Whitlock Mills, L.P., as Mortgagor

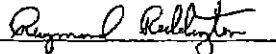
and

City of Jersey City, New Jersey, as Mortgagee**DATED: AS OF May 26, 2004**000048346
RECEIVED
AND
RECORDED
HTG06/03/2004 07:22A
BARBARA A. BONNELLY
HUDSON COUNTY
REGISTER OF DEEDS
Receipt No. 184793

Record and Return to:

Raymond Reddington, Esq.
Assistant Corporation Counsel
City of Jersey City Law Department
280 Grove Street, City Hall
Jersey City, NJ 07302

Prepared by:



Raymond Reddington, Esq.